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# NAVAL POSTGRADUATE SCHOOL Monterey, California



## THESIS

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NEGOTIATIONS:  
EXPERIENCED VS. INEXPERIENCED NEGOTIATORS

by

Patrick James Fitzsimmons

December 1990

Thesis Advisor:

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Negotiations:  
Experienced vs. Inexperienced Negotiators

by

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Submitted in partial fulfillment of the  
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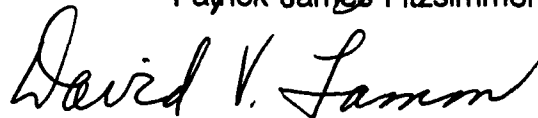
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## ABSTRACT

The negotiation process is one of conflict resolution. It is a process whereby parties come together and attempt to reach an agreement that is of mutual benefit to each and that will establish the framework for future business transactions. With an unlimited number of variables and possibilities, a negotiation can be a labyrinthine process of eternal frustration, or it can be as simple as the spoken word and a handshake. One common factor, however, binds all negotiations, and that factor is that the participants are there to strike a bargain. The negotiation is the route to that agreement.

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## **I. INTRODUCTION**

### **A. PURPOSE AND DIRECTION**

The negotiation process is one of conflict resolution. It is a process whereby parties come together and attempt to reach an agreement that is of mutual benefit to each and that will establish the framework for future business transactions. With an unlimited number of variables and possibilities, a negotiation can be a labyrinthine process of eternal frustration, or it can be as simple as the spoken word and a handshake. One common factor, however, binds all negotiations, and that factor is that the participants are there to strike a bargain. The negotiation is the route to that agreement.

The purpose of this thesis is to examine the negotiation process from the standpoint of both the experienced and inexperienced negotiator and compare the two. Volumes have been written about the negotiation process and its various aspects, so it would be impossible to touch on all its levels and issues. With that in mind, this researcher hopes to look at basically three aspects of the negotiation process and their impact on the outcome.

First, this research examined some of the most often used tactics and strategies employed by negotiators and the circumstances under which they were employed. Also, an attempt was made to identify those tactics and strategies that were never or seldom used by negotiators, and to provide reasons for their lack

of use. This endeavor was somewhat complicated by the fact that it was almost impossible to establish a comprehensive list of negotiation tactics and strategies or to establish a common terminology when describing various actions that may constitute a tactic or strategy.

Second, the research attempted to look at some of the ethical issues that surround negotiations. In a day and age in which defense business, both government and commercial, is under constant attack for both the amount of spending and the manner in which the money is spent, it seemed particularly important to attempt to nail down, at least to some degree, the issue of ethics in the public and private sector. Although, at first blush, the subject of ethics in negotiations may appear to be difficult to pin down, a primary purpose of this research was to develop some idea regarding what is ethically acceptable and unacceptable.

The third principal purpose of this research was to examine the differences between "experienced" and "inexperienced" negotiators. This insight into the two groups may prove beneficial, especially in the training and education process. This would certainly include identifying those inefficient or counterproductive traits and tendencies that are most often found in inexperienced negotiators.

Finally, the researcher hoped to provide a vehicle for future research into some of the more critical aspects of the negotiation process. The areas focused on appeared to be of particular relevance in today's negotiating environment, and

it is hoped that the additional data provided by this and future research will lead to a better understanding of the process.

As the negotiation process, itself, is a real and tangible event, it made sense to ask the questions and do the research in conjunction with actual negotiations. The Pricing and Negotiation class offered in the third quarter of the Acquisition and Contract Management curriculum at the Naval Postgraduate School offered this researcher that opportunity. Conducting the research in conjunction with the NPS curriculum offered the opportunity to make the "experienced versus inexperienced" analysis a main focus of the research, as well. An optimal approach would have been to conduct research in an actual negotiation setting between Government and defense contractors, but few contractors are willing to expose themselves when proprietary issues and money are on the line.

## **B. GENERAL DESCRIPTION OF THE RESEARCH**

The research centered around simulated negotiations conducted between private industry representatives and third quarter students in the Acquisition and Contract Management curriculum at the Naval Postgraduate School. Contracts to be negotiated were selected from a pool of contracts that have previously been negotiated by selected companies. A series of four questionnaires was presented to both student (Government) and private industry negotiators at various times during the negotiation process. The first questionnaire was completed approximately four weeks prior to the negotiation. The second was completed

immediately prior to commencing negotiations. The third was a short answer questionnaire that was completed during the negotiation at an appropriate break or caucus period. The final questionnaire was completed at the end of the three hour negotiation session. The effort was to garner the thoughts and perspectives of the negotiators at various times during the process, and yet keep the data gathering process from becoming so cumbersome as to distract the negotiators from the negotiation itself. Some of the questions were of a short answer nature, while others required the assignment of a numerical value to help quantify differences and similarities. Each negotiation session was also taped to allow review and analysis by both the participants and the researcher. All questions were answered under the cloak of anonymity.

### **C. OBJECTIVES**

Because a negotiation is such a fluid process, it is very difficult to take a snapshot at any one time and provide a valid analysis as to what has happened over the entire course of the negotiation. One could certainly state and analyze what has taken place as a final outcome, but that may not necessarily offer much insight as to where the parties were at the beginning of the process. One of the principal objectives of this research was to look at the negotiation process from beginning to end and to offer some type of analysis as to the changes that took place. In that same vein, the research explored how a negotiator viewed the process when not immediately involved in it (Questionnaire #1) and how the

negotiator viewed the process when directly confronted with the issues and emotions of an actual negotiation (Questionnaires #2, #3, and #4).

A second objective was to look at the difference in perspective and approach between an "experienced" negotiator and an "inexperienced" negotiator. Formal negotiation training is neither as common nor as effective as one would think in either Government or private industry, so any data and subsequent analysis that may strengthen the training program and therefore shorten the time required to become a proficient negotiator should prove of great benefit.

The subject of ethics in negotiations offers almost limitless opportunities for study and interpretation. It may also be "the" contemporary issue when it comes to the Government and private industry doing business. With the massive undertaking in both Government and private industry over the last five years to "clean up" the process, the researcher hoped to get a glimpse as to whether these efforts have been successful or have made a difference. With the help of a questionnaire from Dr. Roy J. Lewicki of Ohio State University, the research focused on identifying those tactics and strategies that are considered ethically acceptable and unacceptable in the negotiation environment.

Lastly, this effort is intended to provide a framework or model within which further study could take place. Given the limitations of performing this type of study in an actual negotiation environment, the simulated negotiation presents the next best opportunity to analyze the process from beginning to end and to examine the relevant issues of the day.

## **D. RESEARCH QUESTION**

Primary Research Question:

- How does the experienced negotiator's perspective on tactics and strategy, ethics, and other relevant issues differ from those of the inexperienced negotiator?

Subsidiary Research Questions:

- What are the negotiator's attitudes toward employing tactics or methods that could be considered unethical or unacceptable?
- Which tactics and strategies do the negotiators consider ethical, and which tactics and strategies do the negotiators consider unethical?
- How has the negotiator's position (objective, strengths, weaknesses) changed from the beginning of the negotiation to the end?
- How well did the negotiator's chosen strategy and tactics serve him during the negotiation?

## **E. SCOPE, LIMITATION, AND ASSUMPTIONS**

The negotiation process spans to virtually all arenas, from strategic arms limitations, to labor negotiations, to the business arena. This researcher has limited the scope of this effort to that of contract pricing negotiation. Not only is this an area that encompasses a broad spectrum of contracting and negotiation issues, but it is also the area that offers the greatest opportunity for future research within this curriculum. Several issues proved limiting in terms of research, but none proved to be an insurmountable obstacle. The fact that the focal point of the

research is a "simulated" negotiation, as opposed to a "real" negotiation, may present some credibility questions, but it certainly does not nullify the great bulk of the data collected and the analysis proffered. In fact, because it is a simulated negotiation, there were some areas in which the answers given were possibly more accurate and descriptive than what may have been received under actual circumstances. Because the questions were answered under anonymous conditions, the researcher was limited in terms of being able to track specific negotiators and their experiences throughout the negotiation. It was felt that the value of that limitation was more than offset by the honesty and comprehensiveness of the answers given as a direct result of the anonymity.

Time was also a limiting factor in that each negotiation had to be completed within a three hour time frame. This, in some respects, limits the ability of negotiators to develop their positions and utilize the tactics and strategies they may have planned. That may have affected the data in some fashion. This time constraint is, however, not altogether unrealistic as few business endeavors have an unlimited time clock. So though it did mean some limitation in terms of research, the time limitation is certainly a realistic factor that must be dealt with in any negotiation.

The most important assumption was that concerning the "experienced versus inexperienced" negotiator. Because the great majority of students have actually had little or no negotiation experience, all students were assumed to be "inexperienced." At the same time, most of the private industry negotiators had



more than three years negotiating experience, so they were considered "experienced" for purposes of this research.

## **F. LITERATURE REVIEW AND METHODOLOGY**

Negotiations by their very nature present an ethical dilemma for the negotiator. One cannot be completely honest without making himself vulnerable, and he cannot be completely deceptive without rendering himself untrustworthy. It is in this "no man's land" that some very tough ethical decisions must be made by negotiators. At the same time, the issue of ethical behavior has risen to the forefront of American politics, especially along the lines of the defense contractor - Government relationship. Roy J. Lewicki has written extensively on the issue of lying and deception and where the line is drawn between ethical and unethical behavior. In *Negotiating in Organizations* he devotes an entire chapter to the lying and deception issue in which he explores the "dilemma of trust" and the "dilemma of honesty and openness." He is pointed in his observation that the consequences of ethical decisions may far outweigh what, at the time, appeared to be a minor inconsequential decision to lie or deceive. Though the decision to lie or deceive is a moral decision as well as a tactical one, Lewicki points out that the primary function of lying is to gain power. This premise was voiced time and time again by other authors throughout the literature. [Ref. 1]

Roy Lewicki also proposes a model of lying that takes the negotiator from his decision to lie, to the consequences of the lie, and finally to the fact that because

of the lie, he will probably lose, by virtue of his actions, the very power he sought to gain through the lie.

Lewicki updated his research with a Working Paper in May 1990 entitled "Lies and Dirty Tricks: Perceptions of Marginally Ethical Negotiating Tactics." After accumulating the responses to the 18 questions on ethical tactics, Lewicki analyzed the answers given by MBA students and a group of Government employed bank regulators and drew some interesting conclusions as to appropriateness and likelihood of use of these tactics. With Dr. Lewicki's consent, the researcher posed those same 18 questions to the two groups of negotiators involved in this study. [Ref. 2]

Chester L. Karrass' extensive writings on negotiation tactics and strategies proved invaluable. In *The Negotiating Game*, Karrass takes the entire process from planning, to strategy formulation, to tactics implementation. The choice of either a strategy or a tactic is not an arbitrary process, but a carefully calculated decision based on needs, goals, and the opponent's position. It is also imperative to recognize the need for change when necessary. He emphasizes the idea that tactics and strategy are a means to an end, not an end unto themselves, so the negotiator must choose his means carefully. [Ref. 3]

Karrass also writes for the monthly periodical *Traffic Management*. A wealth of information along the situational lines can be found in that source. [Refs. 4, 5, 6]

In his book *Fundamentals of Negotiation*, Nierenberg points out that it is often difficult to distinguish between a tactic and a strategy, but attempts to clarify his own position by referring to a strategy as a technique used in the actual process of a negotiation and a tactic as a device used to implement the strategy. The two still may not be distinguishable when viewed during an actual negotiation. Nierenberg divides strategy into the "when" strategy, involving the proper sense of timing, and the "how and where" strategy, which involves both the method and the area of application. He cites a litany of tactics under each as examples of devices used to implement the strategy. Nierenberg effectively uses specific historical examples to illustrate his points. [Ref. 7]

This research was designed to get a glimpse of the negotiation process as it proceeded through its various stages. The Pricing and Negotiations class is required for the Acquisition and Contract Management curriculum in the third quarter at the Naval Postgraduate School, offering a good opportunity for the researcher to look at the process from beginning to end. A sequence of questionnaires was used to collect data concerning negotiation strategies, tactics, and ethics. The first of four questionnaires was administered to negotiators in private industry approximately four weeks prior to negotiations with students. At the same time it was administered to third quarter students who would be negotiating with the defense contractors. The timing issue was designed to ask questions of both experienced (industry) and inexperienced (student) negotiators not directly involved in a particular negotiation. It also allowed the researcher to get

a feel for the nature of the answers prior to the actual negotiation that may come from an experienced negotiator, as opposed to the types of answers that may be offered by an inexperienced negotiator. All questionnaires were answered anonymously. In addition to a series of generic questions about the negotiation process, the first questionnaire asked several demographic questions, such as education, experience level, and formal training. An integral part of the first questionnaire was a series of 18 questions used by Lewicki which centered on the ethical issues associated with certain tactics. The results of those questions were shared with Lewicki and hopefully will serve as the foundation for continued research in that area.

The second questionnaire was administered immediately prior to the negotiation session itself. The questions focused on the negotiation at hand and were structured so as to provide a basis for logical, *easily answered follow-on* questions to be asked during and immediately following the negotiation. It became increasingly important at this point to keep the questionnaires short and to the point. The second questionnaire was structured to require no more than 20 minutes to complete. This meant particular attention must be paid to both the scope of the question and the type of answer required of the negotiators.

The negotiators were not informed of the third questionnaire until an opportune time was chosen during the actual negotiation to present it, such as during a caucus. It was especially critical that this questionnaire be short. Its sole

purpose was to obtain a "progress report." It was designed to require no more than five minutes of focused attention on the part of the negotiators.

The fourth and final questionnaire was administered immediately following the negotiation and debrief. The questions generally addressed how well the negotiators accomplished what they had set out to accomplish. Questions were structured to elicit a "yes or no" answer or a quantifiable response (scale of 1 to 10). Hindering the process, somewhat, is the fact that the negotiator's minds were not completely on the questionnaire. They were still thinking about the heated dynamics of the process that they had just completed. It was critical, therefore, to tailor a questionnaire to get the most information as quickly as possible.

As the data were accumulated, limited statistical analysis was performed, comparing the means and standard deviations of the various questions. The principal comparison was between the experienced and inexperienced negotiators, but some questions also examined how much the answers had changed, if at all, from the beginning of the process to the end.

## **G. DEFINITIONS**

Strategy can be described as the compilation of techniques used in a negotiation.

Tactics are the devices used to implement the strategy.

## **H. ORGANIZATION OF THE STUDY**

Chapter I introduces the purpose and general direction of the research. It also addresses the four broad objectives of the research and the help provided by Dr. Roy J. Lewicki. The research question and the scope, limitations, and assumptions made in the research are described, with a brief literature review and the research methodology outlined to conclude the chapter.

Chapter II presents the theoretical framework within which the research was conducted and analyzed. Chapter III presents the data and analysis on the tactics and strategy issues, while Chapter IV does the same for the ethics issues. Chapter V presents the data and analysis of the general questions concerning the negotiation process. Finally, Chapter VI presents the conclusions, recommendations, and areas of further research.

## **II. THEORETICAL FRAMEWORK**

### **A. INTRODUCTION**

This chapter is designed to present the theoretical framework within which the research was conducted and analyzed. It is organized into a discussion of strategy and tactics, of ethics, and of the difference between the experienced and inexperienced negotiator. Because volumes have been written about each of these topics, it would be impossible to address them completely in one chapter; therefore, a cross section of the most commonly accepted and prominent thoughts will be presented.

### **B. STRATEGY AND TACTICS**

A negotiation is "a process of potentially opportunistic interaction by which two or more parties, with some apparent conflict, seek to do better through jointly decided action than they could otherwise [Ref. 8:p. 11]." The common denominator in any negotiation is "needs" and their satisfaction. If each party in the negotiation has no need to be satisfied, then there is no common ground or mutual interest to prompt them to negotiate. The necessity to understand the needs involved on both sides of the negotiating table is an integral part of the negotiating process. Nierenberg's "Need Theory" is one amongst many means of facilitating this process [Ref. 7:pp. 89-109]. By using this framework for

establishing needs, negotiators are better able to focus their attention on those needs and what will facilitate their satisfaction. Even though the need may be as simple as the desire to maintain the status quo, it is still the understanding of that need that allows the negotiator to devise a method to satisfy it, devise an alternative method to counteract an opponent's method, or develop a method to modify an opponent's methods. [Ref. 7:pp. 89-109]

Careful analysis of our own and our opponent's needs is essential to the negotiating process. By knowing the relative strengths and power of an opponent's needs, a negotiator can develop the best approach to deal with or satisfy that need. This should in turn give the negotiator some idea as to the relative effectiveness of each negotiating technique. As the negotiator gains a better understanding of his opponent's needs and as he begins to attach a relative importance to each, he begins to develop a set of negotiating techniques that will lead to a successful outcome. Those techniques that are most likely to lead to a successful outcome are the techniques that target the opponent's most basic need. However, there is a danger in narrowing the focus too much, for the recognition of an opponent's needs should provide a negotiator with a wide variety of methods to use in achieving a solution. [Ref. 7:pp. 89-109]

How the negotiator goes about his business at the negotiating table is a matter of technique - tactics and strategy. As stated earlier, a strategy is a general approach to a problem, or a compilation of techniques, while a tactic is a device used to implement a strategy. In practical terms, it may be difficult to distinguish



between a tactic and a strategy in a negotiation setting. What may appear to be a strategy for one negotiator may at the same time be viewed as a tactic to another. Negotiation literature provides a broad and flexible interpretation as to what is a tactic and what is a strategy.

There is, however, general agreement on the purpose of a strategy. The strategy should be implemented to satisfy the needs on both sides of the negotiating table. It should enhance a negotiator's ability to deal with an opponent's bargaining position and counter the opponent's techniques. The negotiator should adopt a strategy that addresses the most basic need of the opponent. [Ref. 7:pp. 147-148]

It should be clear that the choices as to which strategies and tactics to assume are not arbitrary decisions. They are decisions that are made only after sound research and planning. For the negotiator, this means doing his homework in terms of costs, budgets, proposals, goals, competition, and motives. The good negotiator analyzes both his own position and his opponent's position in terms of this information. The negotiating table is the wrong place to learn about an opponent. Long range goals are assessed, and a final decision is made as to whether this is the right product or service to buy. "There is no 'right' price for the wrong product [Ref. 3:p. 152]." This does not overstate the value of information and knowledge in the negotiation process, as it should lend credence to the proposition that learning about an opponent's needs, capabilities, and goals is only obtained through careful research and preparation. [Ref. 3:pp. 150-169]

It is critical for the negotiator to understand that negotiations, like battles, are won and lost in the planning and preparation stages. The selection of a proper strategy is not a frivolous undertaking, but a tedious, time consuming process anchored in careful preparation and thought.

Negotiation strategies come in many forms and in many groupings, depending to a large extent on the source. As stated previously, it is extremely difficult to draw clear lines when defining strategies, or to even develop categories within which all strategies will conveniently fall. This section, therefore, will offer only a sampling of thoughts and ideas concerning negotiation strategies.

Strategy is often discussed under the three broad categories of **competitive, collaborative, and subordinative** strategy. [Ref. 9:pp. 156-164]

If in the attainment of the strategist's goals the intent is to prevent the opponent from reaching some of his goals, the *competitive strategy* may be adopted. If the strategist's own goals require that the other party attain some of his goals, then the collaborative strategy is chosen. And if the negotiation strategist subordinates his goals to his opponent's goals, then the subordinative strategy is chosen. [Ref. 9:pp. 156-164]

The competitive strategy involves, to a large extent, the pursuit of one's goals at the expense of an opponent's goals. There are considerations in the negotiator's efforts that are directed specifically at keeping an opponent from reaching his goals. Positions are kept secret, and little trust is evident in the negotiating process. Quite often threats, bluffs, and surprise are used to

outmaneuver the other party, and success is often enhanced by creating a poor image of an opponent, ignoring his logic, or increasing hostility to unite one's own front to convince an opponent that one means business. "I win, you lose" is the prevailing attitude. [Ref. 9:pp. 156-164]

The unhealthy extreme is when one negotiator acts to keep his opponent from reaching his goals, even at the expense of attaining his own more important goals.

One serious drawback to this strategy is the creation of a "win - lose" mindset that often makes problem solving more difficult. The adoption of the "we - they" and the "superiority - inferiority" complexes whereby competitive pressures lead factions to overrate themselves while underrating their opponents are another danger. Judgement is often distorted as one begins to think his solutions are the only solutions, and none of his opponent's solutions are worthwhile. Negotiators who adopt this strategy sometimes fall prey to faulty perception in that they perceive an understanding of their opponent's position, when in fact they do not understand it. Common areas of concern or areas of mutual benefit go unrecognized as emotions and offensive and defensive maneuvering obscure the scene. [Ref. 9:pp. 156-164]

The collaborative strategy is characterized by two parties pursuing goals held in common [Ref. 9:pp. 156-164]. Trust and openness in thought and action prevail, and alternatives are explored together. Each party has an accurate understanding of his own needs and is attuned to the needs of his opponent. Actions are

predictable and behavior is flexible. There are recognized mutual interests, and mutually satisfying solutions to problems are sought. Constructive relationships develop as unflattering stereotypes are thrown out, and ideas are considered based on their merit, not on who offered them. The prevailing attitude concerns itself with what is the best way to meet the needs of both parties. [Ref. 9:pp. 156-164]

The unhealthy extreme is when one assumes that whatever is good for his opponent is good for him. One's own needs are not distinguishable from those of the group, and one does not take responsibility for his own actions.

The collaborative "win - win" strategy can also backfire. Revelations of one's own strengths and weaknesses can too easily be exploited if an opponent changes his strategy or tactics. Predictive behavior on the part of one negotiator can lead to manipulation on the part of the other negotiator. [Ref. 9:pp. 156-164]

The subordinative strategist subjugates his goals to the goals of his opponent. He understands clearly that his best interests lie with whatever the best interests of his opponent are. The attainment of his goals may hinge solely on the proposition that his opponent achieve his goals. Actions are predictable, and success is enhanced by avoiding conflict. [Ref. 9:pp. 156-164]

The unhealthy extreme is complete acquiescence to an opponent's goals at the expense of one's own organizational or personal goals. Undue concern with harmony or an unclear understanding of the relationship and its limitations spell

danger. The key attitude is not so much "you win, I lose," but more "I win if you win." [Ref. 9:pp. 156-164]

There are drawbacks to this strategy. Regular capitulation to an opponent may result in one losing his ability to defend his position at a critical juncture. One side may also be lured into a false sense of well-being, an illusory harmony that does not carry over into the real world or other aspects of the relationship.

The obvious problem with the process in general is that a negotiator cannot detach himself into one particular strategy alone. Success hinges on an ability to integrate simultaneously various aspects of each strategy into a coherent, disciplined, goal-oriented strategy. Negotiators must be able to adopt new strategies as new issues and new problems present themselves, and not remain steadfast on one strategy that has outlived its usefulness or its inappropriateness for the given situation. A sometimes cynical approach to business may lead to a natural tendency to adopt the competitive strategy too often, thereby losing sight from the beginning of the reason for the negotiation. For a strategy to be successful, the negotiator must be astute, flexible, and learned on the issues. [Ref. 9:pp. 156-164]

Another approach to strategy views it as a technique or tool that the successful negotiator learns how to use [Ref. 7:pp. 147-181]. During the course of effective research, which includes consideration of needs, assumptions, and past experience in an area, a negotiator seeks to gain an understanding of an opponent. Through this understanding the negotiator develops and employs tools

that will facilitate accomplishing his aims. The more experienced the negotiator, the more likely he is to have a wide assortment of "tools" to accomplish his aims. To the more experienced negotiator, the "when" strategy and the "how and where" strategy are the most commonly used major strategy groupings [Ref. 7:pp. 147-181]. The "when" strategy involves a proper sense of timing. The "how and where" strategy describes the method of application and the area of application. It may be useful to employ two or more strategies in a negotiation, so the negotiator must be familiar with more than one technique. [Ref. 7:pp. 147-181]

The "when" strategy is preferably used in a dynamic situation, one in which a new element has been introduced, as opposed to one where all positions are static. In Chapter 10 of his *Fundamentals of Negotiation*, Nierenberg cites the following as examples of his various strategies. Forbearance is a "when" strategy that capitalizes on the negotiator's patience, or his opponent's lack of patience, in the negotiation process. The negotiator basically puts off an answer in the interest of seeing what his opponent will come up with. It may entail a "cooling off" period, or it may mean knowing when to stop talking or when not to seek the advantage. Surprise, another "when" strategy, is a sudden shift in method, argument, or approach. It may be facilitated by substituting a new leader in the middle of a negotiation. In this case, the strategy is surprise, and the tactic is to substitute a new leader. [Ref. 7:pp. 147-181]

Fait accompli is a strategy whereby one side acts quickly to achieve the goals he desires and then sits back to see what the other side will do ("It's done,

now what are you going to do about it?"). This can be risky because of unpredictable responses. Bland withdrawal is to do something and then feign ignorance ("Who, me?"). Finally, feinting is an apparent move in one direction to divert attention from the real goal or objective. A negotiator may also give an opponent the false impression that he has more information than he actually does. [Ref. 7:pp. 147-181]

The second major grouping in this second approach to strategy is the "how and where" strategy. Participation is one example of this strategy where a negotiator enlists the aid of another party to act directly or indirectly in his behalf. The negotiator may also solicit the cooperation of an opponent to obtain a mutual understanding, and thus an agreement. Association is where two negotiators recognize the benefit of the relationship, despite the shortcomings, and conduct their business accordingly. [Ref. 7:pp. 147-181]

The crossroads strategy introduces several issues into the negotiation so one can concede on one issue and gain a concession on another. This may also involve raising a secondary (straw) issue in order to conceal one's main objective. A blanketing strategy objective is to cover a very large area in hopes of making a breakthrough in a specific area. This may also prevent one's opponents from knowing the weak areas in one's position. A negotiator may establish an agenda with many demands, thus taking the initiative away from his opponent. [Ref. 7:pp. 147-181]

The salami strategy attempts to take a position one bit at a time until one eventually gets possession of the whole issue. One's opponent, theoretically, will not notice as his position is being slowly eaten away. It requires subtlety and finesse to pull off. The use of an agent is the final strategy presented. An agent may bargain with an opponent and receive concessions at the negotiation table, and at the same time not commit his client to any concessions because he does not have the authority to do so. With this in mind, a negotiator should not deal with his opponent's agent. [Ref. 7:pp. 147-181]

As the choice of a strategy is not an arbitrary process, neither is the choice of tactics. It entails evaluating one's strategy, needs, and goals and, equally important, the goals and strategies of one's opponent. Tactics may change as additional information surfaces, or they may remain steady throughout. The wise tactician, however, continuously evaluates his tactics with all of their possible consequences in mind. The tactician should ask:

- Has my strategy changed?
- Have my opponent's goals and tactics changed?
- Are my tactics working?
- What are the consequences of my actions?

In Chapter 14 of his *The Negotiating Game*, Karrass addresses the following tactics. The most commonly used tactical maneuvers are divided into four categories: 1) timing, 2) authority, 3) amount, and 4) diversion [Ref. 3:pp. 170-198].



It is important to again reemphasize the precarious nature of classifying tactics and strategies. What is important is that each negotiator develop a working understanding of how to approach a negotiation from a strategic standpoint, and how to devise the tactics to implement his strategy.

Timing is simply setting the tempo of events. Time maneuvers are a basic source of power which may be real or imagined. However, whether real or imagined, they must be credible in order to be of any use. [Ref. 3:pp. 170-198]

The "stretchout" is a time oriented tactic that attacks the opponent's ability to withstand immediate satisfaction in expectation of future gain..... his patience is tested [Ref. 3:pp. 170-198]. The patient tactician may stretch negotiations out for an extended period of time in order to allow the situation to develop more fully. The opposition must somehow be impressed with the possibility of future gain, or he will be hard pressed to accommodate the delay. Additionally, this means the tying up of assets, particularly negotiating teams, so the decision to use this tactic requires careful consideration prior to implementation.

The "deadline" is another powerful time related tactic that raises the specter of real losses to both parties if allowed to pass without an agreement [Ref. 3:pp. 170-198]. If properly executed, one party is forced to accept the deadline of the other party, and thereby forego some benefit, asset, or capability he may have enjoyed had he not been forced to meet that deadline. It has the additional benefit of imposing a certain discipline into the negotiation process. Parties may be forced to begin negotiating before fully prepared, or they may make decisions that they

were not prepared to make at that time. Deadlines can drive the issue and force the advantage. [Ref. 3:pp. 170-198]

The authority to make the final decision can be a maneuver tactic to either get the job done or to not get the job done. One may often find himself negotiating with an opponent whom he thought had the authority to strike the deal, only to find that individual deferring to a higher authority. The negotiation then proceeds to the next higher up who is now bargaining on his own authority. Needless to say, this can be a grueling process that may appear to be endless to an opponent. If recognized, however, it can be worked to an advantage. Such may be the case when a negotiator prefers not to defer a decision to a higher authority (makes him look bad) and may therefore settle at a price near the top of his limit (insurance negotiator). The best way to avoid surprises is to ask your opponent up front what his authority limits are. This may head off opponents of unequal authority sitting down to negotiate a contract, of which the resultant consequence is a carousel of negotiators parading through the process until the man with the true authority shows up. [Ref. 3:pp. 170-198]

The "take it or leave it" offer is an amount or stated maneuver tactic that occurs when one party begins the negotiation with a "final offer." "Escalation" is a tactic whereby two parties reach an agreement, and one then ups his demand. The other party then finds himself scrambling to get back to the original bargaining position. The "budget bogey" uses a budget constraint to force an opponent to reduce his price and/or the scope of work. [Ref. 3:pp. 170-198].

Diversionary tactics are often employed to learn as much about one's opponent as one can while giving little away about oneself. "Low-balling" is a maneuver whereby your opponent is fooled into making an agreement, the price of which you fully intend to raise after he is lured into the trap. A more subtle, and thus potentially more dangerous, maneuver is the "false statistic." Arithmetic errors or bad statistics may be presented in the heat of battle, and may therefore go unnoticed. Numbers are fine, but the smart negotiator understands the assumptions behind them, as well as their face value. [Ref. 3:pp. 170-198]

Finally, there is a category at the tactical level that many refer to as "techniques." Though not strategic or tactical in nature, they offer the negotiator the ability to influence the action. The agenda provides the negotiator with the opportunity to influence the action from the start. It can either establish priorities, or it can hide motives. The setting of the agenda can be timed to reinforce one's successes or to exacerbate an opponent's problems. Agendas can be used to establish rules, assumptions, and issues and should be screened carefully. [Ref. 3:pp. 170-198]

Concessions and compromises are both integral parts of a negotiation. The concession can determine what, how much, and how badly an opponent wants something, and it can define how much he is willing to give up to get it. One concession does not necessarily deserve another, however. Each reply must be measured and deemed compatible with one's goals and strategy before it is committed to. [Ref. 3:pp. 170-198]

Questions and answers boil down to one point: the less I spoke the more he spoke and the more I listened. Ask questions to find out an opponent's values, assumptions, and intentions, not to show how smart one is or to trap an opponent into an answer of no value to the negotiation. Make the negotiating table an arena conducive to the exchange of good answers and information, not a battleground. [Ref. 3:pp. 170-198]

With that in mind, negotiators often find themselves in a position at the negotiating table where they feel compelled to provide quick answers to tough questions. The pressure can be immense, and can only be offset through preparation. The wise negotiator prepares in advance for those questions he is most likely to encounter in the negotiation. "The art of answering questions lies in knowing what to say and what not to say, not in being right or wrong [Ref. 4:p. p. 41]." There are few "yes" or "no" answers around the negotiating table. [Ref. 4:p. 41]

The "threat" is inherent in any negotiation, but must be used wisely if resorted to openly. Threats that cannot be followed through with are best left unmade. They are a dangerous business, and though they may extract a concession in the short run, as conditions change in the long run a negotiator may very well find the tables reversed. Not only do threats destroy relationships, but they also provoke retaliation. They may arouse a level of cunning in the abused that shows up in the most inconvenient manner, such as in subtle product quality changes. If the threat is used, it should be scaled to the size of the problem. [Ref. 5:p. 35]

In conclusion, tactics and strategy are a means to an end; they are not an end unto themselves. The negotiator must keep in mind that he is at the negotiating table for a reason, to strike a deal. And the tactics and strategy involved should further that cause, not hinder it. A carefully selected strategy is only developed after great preparation and deliberation. No matter what the strategy and tactic, a negotiator who goes to the negotiating table unprepared is doomed to failure.

The good negotiator also maintains an objective and flexible position, recognizing and taking advantage of situation changes at the table. There are no hard and fast rules, just as there are no combinations of strategy and tactics that guarantee success in all situations. The prepared negotiator has a repertoire of tactics available that he is capable of using at any given time, depending on the circumstances. His own sound judgement, coupled with assiduous preparation will guide him to a successful business deal.

### **C. ETHICS**

Today's procurement environment is saturated with the issue of ethics. More often than not, ethical issues are defined in terms of legality or illegality. Laws are passed to curb unethical activity, and an army of people is sent out to enforce them. A more subtle side of this ethical issue, however, is not the practices defined in legal terms, but those practices that are defined in terms of what is morally right.

This gray area contains practices that, though they are not illegal, may well be unacceptable, depending on the circumstances and the company one keeps.

To find a laundry list of proscribed business practices, a negotiator need only go to DoD's Standards of Conduct or Part 3 of the Federal Acquisition Regulation (FAR). The Office of Federal Procurement Policy (OFPP) Act was amended in 1988 by adding Section 27, Procurement Integrity, further prohibiting certain acts on the part of competing contractors and Government procurement officials. Certain mandatory compliance procedures on the part of private industry were also specified. The list is almost endless, but what about the less well-defined practices around the negotiating table that have not been rendered legal or illegal? [Ref. 10:p. 9]

An ethics question arises when "an individual feels pressure to take actions that are inconsistent with what he or she feels to be right [Ref. 10:p. 9]." This situation often arises in the negotiation environment, an environment that is to a large degree adversarial in nature and characterized somewhat by a conflict of interest. In a negotiation, tactics and strategies are adopted as a means of attaining the most favorable outcome possible, and a negotiator may find himself confronted with an unethical tactic practiced by his opponent or forced, himself, to resort to such methods in the interest of representing his position to the greatest extent possible. Hopefully, some mutual ground upon which to base a business deal is still found, and a compromise between the positions is struck.

This process and the resultant compromise are based upon a mutual exchange of information. [Ref. 1:pp. 68-90]

The central role that information plays in this process creates two dilemmas for the participants. Each party must make some accommodation to the "dilemma of trust" - that is, come to some type of understanding of what his opponent is trying to attain while keeping in mind that his opponent may be distorting or manipulating the facts while pursuing these goals [Ref. 1:p. 69]. He must overcome his suspicions, for if one is to believe nothing the other says, then there will be no common ground for compromise. At the same time, one cannot believe everything the other says for fear of placing his entire fate in the other's hands, and thus sabotaging his own best interests in the deal. The second dilemma is the "dilemma of honesty and openness [Ref. 1:p. 69]." How frank and candid can one be in presenting his own goals, preferences, and priorities? To be completely open leaves one's position vulnerable, and to completely withhold or deceive may certainly jeopardize the deal, or even kill the relationship. That middle ground that sustains the relationship is critical. The balance between truth and trust and deception and distrust is what allows the negotiation to go forward. The issue is where does each of the two parties believe that balance to be? [Ref. 1:pp. 68-90]

So why does a negotiator opt to lie or deceive during a negotiation? The principal motivation to lie or deceive is to increase one's power over another [Ref. 1:pp. 78-79]. It is through this tactic that a negotiator either offsets another's strength, or he multiplies his own strength. However, it should be understood, and

is too often not, that lying is not without consequence, and though it may be used as a successful tactic in the short run, it may have drastic consequences in the long run. It may ruin relationships; it may destroy trust; and it may prompt unwanted follow-up actions such as increased supervision, investigation, or loss of power.... the very thing one sought to gain in the first place. And even if it does none of these, it is unethical, and once that expectation of truth and veracity is violated, no amount of effort can bring it back. [Ref. 1:pp. 78-79]

So what tactics short of lying may be employed? The British civil service once established this guideline:

The rule as regards statements (that) are intended or are likely to become public is simple. Nothing may be said (that) is not true; but it is as unnecessary as it is sometimes undesirable, even in the public interest, to say everything relevant which is true, and the facts given may be arranged in any convenient order. It is wonderful what can be done within these limits by a skillful draftsman. [Ref. 6:p. 85]

Any of the tactics cited in Section B of this chapter may fall into this category. They are considered part of the process and acceptable, at least to some degree, in negotiations. Many of these tactics do, however, constitute the gray area and must be used skillfully and responsibly by a negotiator so as to not cross the ethical line and possibly jeopardize the relationship.

It is also important to understand that when considering what is truth, what is deception, and what is lying, the gray area may not be as large as one would like to feel. Truth is discernible, and given enough information, can be uncovered and presented for the world to see. Lies are an openly stated attempt to deceive.



Unspoken misstatements and slips of the tongue do not fall into this category. If left unstated, then the question as to whether one has lied is left open [Ref. 2:pp. 5-6]. This leads directly to an opponent's ability to listen and his propensity to assume or infer meaning that may or may not be there.

The tactics practiced during a negotiation are not the only ethical issues confronting a negotiator. What constitutes an authorized exchange of information is a major consideration in the negotiation process, and the ethical standards a negotiator assumes impacts greatly on this flow of information. Both the Government and the contractor could benefit greatly from the unimpeded flow of information. The contractor could benefit from knowledge about the Government's long range plans, and the Government could possibly get a better product if it could publish sensitive information. Unfortunately, this unchecked flow of information can have ramifications that go well beyond the immediate business arrangement. [Ref. 11:pp. 16-22]

Access to this type of sensitive information can dramatically affect the balance of competition in the marketplace, as it may enable a company to gain an unfair competitive advantage. This not only undermines the integrity of the procurement process, but it also may stifle or eliminate the competition within the marketplace that allows the Government to operate effectively. The appearance of "collusion" between the Government and a contractor may also prove damaging.

The Government's handling of a company's technical information is a particularly sensitive issue as its improper release may directly result in the

improvement of a competing proposal. Regardless of whether technical transfusion is inadvertent or innocent, it is unethical and can be extremely damaging to the competitive balance in the marketplace. [Ref. 11:pp. 16-22]

The Government may decide to release important information to industry as a whole, but only after it has been determined that the release of this information will benefit both the Government and industry. Release of this information should be publicized as widely as possible. The Freedom of Information Act (FOIA) plays a major role in identifying what competition sensitive information or technical data may be released to the public. Companies seek protection under FOIA, but information once released, unfortunately, is out forever. As this is an information driven process, the contracting officer must exercise careful judgement when deciding what information will be used or released. The Trade Secrets Act and the FAR address these issues extensively, but they cannot address each and every issue that may be encountered in the negotiating environment; therefore, the contracting officer's ethical judgement as well as his legal knowledge are of great consequence in the handling of information. [Ref. 11:pp. 16-22]

The last issue is that of the trade secret. As opposed to technical data or blueprints, trade secrets may be defined more in terms of a company's approach to a problem or its approach to management. This is information that if released to competitors may also alter the competitive balance in the marketplace. [Ref. 12:pp. 41-44]

The Government has access to a great deal of an offeror's competition sensitive information. The Government may, however, end up not awarding the contract to that company. The ethical issue comes into play when the Government decides to use that offeror's information after the company has been eliminated from competition. One offeror, though not selected for award of the contract, may have a unique approach to a problem that would mesh perfectly with the award recipient's approach. Does the Government have the ethical right to make a subtle suggestion that would lead the recipient to a solution using a losing competitor's approach? It would certainly be in the Government's interest to be able to do this. The outright transfer of information is certainly illegal, but there is a more subtle side of this issue that requires a sound ethical decision as well. The Government must recognize that contractors have certain property rights or other valid economic interests in keeping that information from falling into competitor's hands; otherwise, the Government may jeopardize the company's position in the marketplace and find good suppliers no longer willing to do business. [Ref. 12:pp. 41-44]

Business ethics is often compared to the type of ethics accepted in the game of poker. The code of ethics invoked when gentlemen sit down to a game of poker is different from that normally accepted in their daily lives; however, any player who hides cards or marks cards is still a "cheat." He is more than unethical and should suffer the consequence of his actions, be it banishment or jail.

The unethical player is one who, though not a cheater, may attempt through various means to put the other player at an "unfair" disadvantage. He may talk loudly or even try to get his opponents drunk. These are not accepted tactics in a gentleman's poker game.

Though the previously mentioned tactics are unacceptable, the accepted ethics at the poker table are still different from those practiced in normal human relationships. Claims of friendship are not part of the game, nor is kindness or openness. Cunning deception and concealment of one's strengths and weaknesses are vital, and no one thinks ill of a good player who practices these tactics. Neither poker nor business is designed to conform to the pristine traditions of morality in our society. To many, the basic test on the business side is legality and profit. It is generally accepted that blind adherence to the Golden Rule is a formula for defeat and not normally offered as a guide for a businessman. [Ref. 13:pp. 143-153]

An argument can be made that there is a difference in ethical perceptions between buyer and seller. Because buyers and sellers sit on different sides of the table, each may view an ethical situation differently. Roles, motivations, backgrounds, and, most importantly, goals will differ depending on one's position. A Government contracting officer might view a situation in a much different ethical light than might a seller for a commercial firm. The contracting officer may have a much narrower view of the width of the ethical playing field - and that may be a healthy approach to the relationship [Ref. 10:pp. 9-16]. It may stem not only from

his background and motivation (profit or service), but also from a perception that, historically, the Government and the taxpayer have gotten the short end of the stick when unethical or questionable standards are practiced. Another reason for the narrower approach may be that the Government official finds himself an easier target for accusations of stupidity, fraud, or simply being "asleep on watch" than does the businessman. Or most importantly, the accusation of using unethical tactics or practices for personal gain goes to the heart of both the motivation (service) and responsibility (protect the taxpayer's buck) of the contracting officer. Commercial firms have a different priority and a different motivation, and may therefore be driven by a different standard. This is not to imply that the private sector is any less or more ethical than the public sector, but it should be at least recognized that there are certainly different interests involved. The philosophy of "self-governance" has made a positive contribution toward narrowing the difference in perspective.

So who and what influence the ethical decisions negotiators make? Will the decision made at the negotiating table be influenced by a "code" or chart on the wall? To a degree, yes, but by far the greatest influence felt in making a decision on a daily basis comes from a boss or a colleague. The actual standard on the wall or the "Code of Ethics" ranked third in influence. [Ref. 14:pp. 15-16]

In addition to the personal side of this decision-making process, there are situational influences [Ref. 1:pp. 84-86]:

- **Rewards and Punishment.** If individuals perceive rewards and punishments to be of such magnitude so as to be worth the risk, then the likelihood of making an unethical decision may go up.
- **Relationship between negotiators.** Most negotiators shy away from lying to or deceiving a friend. However, if one identifies his opponent as just another liar, then he may feel lying is an acceptable tactic in order to level the playing field. If one views his opponent as the enemy, then he is more likely to use whatever tactic is necessary to bury him, particularly if the opponent is perceived as lying, himself.
- **Length of relationship.** Long and trusted relationships seldom are the result of deception or mistrust. Consideration of mutual benefit and integrity are most often the driving factors in negotiating with long standing business relationships.
- **Power and status differences between negotiators.** People in an advantaged position are more likely to inch close to that fine line between ethical and unethical behavior.
- **Group, organizational, and cultural norms.** Peers and bosses have the most influence, while organizational positions are next.

#### **D. EXPERIENCED AND INEXPERIENCED NEGOTIATORS**

It is seldom in a negotiation that the participants are all of the same background, education, and experience level, but all these factors are certainly a consideration when an organization fields a negotiating team to hammer out an agreement on a major contract. It is here that the difference between an experienced negotiator and an inexperienced negotiator may become most apparent. It is important to note that there are differences in the manner in which an experienced negotiator goes about his business and the manner in which an inexperienced negotiator goes about his. [Ref. 15:p. 6-3]

The manner in which each plans a negotiation is a logical starting point. There seems to be no significant difference in the amount of time spent planning by either type of negotiator, but that does not mean that the time spent by each is of similar quality [Ref. 15:p. 6-3]. One might better conclude that the experienced negotiator focuses his time on different issues and possibly spends his time more wisely.

When exploring options, the experienced negotiator seems better able to not only formulate a wider array of options for his own position, but also better able to anticipate accurately the options that might be presented by his opponent [Ref. 15:p. 6-4]. The inexperienced negotiator seems less capable of projecting what his opponent might present as an issue.

Experienced and inexperienced negotiators, alike, focus on key areas of conflict in their negotiation planning. It is the experienced negotiator, however, who spends almost three times as much time focusing on areas of agreement. He appears more intent on molding a satisfactory negotiating environment that focuses less on insignificant areas of conflict and more on areas that can serve as a foundation for agreement. The experienced negotiator makes a conscious effort to keep a negotiation from getting hung up on matters of little consequence. [Ref. 15:p. 6-4]

Past studies have also shown an alarming tendency for negotiators of both types to focus on the short term and to let the long term take care of itself [Ref. 15:p. 6-4]. Additionally, the experienced negotiator is usually better able to present

his objectives in terms of a range, as opposed to the less flexible fixed point objective more often assumed by the inexperienced negotiator. The choice of the fixed point may unduly restrict the potential outcome of any negotiation. [Ref. 15:p. 6-5]

In the planning process, inexperienced negotiators are also more likely to establish a set sequence in which to present their points or issues. This concept of planning works well in an environment where the negotiator has complete control over the negotiation and agenda. This is, however, seldom the case as any agenda requires, to some degree, the consent and cooperation of the other negotiator. The inexperienced negotiator thus stands a greater chance of being thrown off track rather easily early in the negotiation and forced to gather his wits at an inopportune time. [Ref. 15:pp. 6-5, 6-6]

The experienced negotiator, however, tends not to align his issues in any particular sequence for presentation, relying more on their stand-alone capability as independent issues and on his ability to address the issues at the appropriate time [Ref. 15:p. 6-6]. This type of flexibility presents a clear advantage as issue planning may be a wiser course than sequence planning.

Many outsiders view a negotiation as a verbal sword fight, charged with verbal assaults that cause the opponent to wither. This is, in fact, seldom the case. Furthermore, research has shown that it is the experienced negotiator who is less apt to draw upon his repertoire of "irritators," or even less, the gratuitous use of insult or unfavorable insinuations, in the process of a negotiation. The experienced



negotiator recognizes that any type of verbal assault that antagonizes without persuading is of questionable value. [Ref. 15:p. 6-7].

How each negotiator attacks provides another insight into the differences between an experienced and inexperienced negotiator. The inexperienced negotiator will build his attack gradually, eventually working up to an intense assault. The element of surprise is certainly compromised. In the mean time, the opponent is building a gradual defense. The result is a type of defend/attack spiral that may prove counterproductive and distracting for both parties. The experienced negotiator, however, tends to attack less often, but when he does attack, it is without warning and is more aggressive. [Ref. 15:p. 6-8].

An important difference between the two types of negotiators revolves around the practice of testing understanding and summarizing. The experienced negotiator often does both in an effort to sort out misunderstanding and reduce misconceptions. Doing this also ensures that all are on a common launching pad for the next step in a negotiation process. On the other hand, the inexperienced negotiator may deliberately fail to test the understanding of an issue for fear that he might unearth a point of conflict or further complicate an issue. [Ref. 15:p. 6-10]

Questions are used more often and more deliberately by the experienced negotiator. He asks almost twice as many questions, and he does so to gain understanding, to gain control, and to give his opponent less time to think. He also views the question as an acceptable alternative to direct disagreement. Questions also allow breathing space for him to muster his own thoughts. [Ref. 15:p. 6-12]

How one handles an argument also marks a difference between negotiators. In presenting arguments to back up a point, the inexperienced negotiator presents more arguments to substantiate his position than does the experienced negotiator. In fact, presenting a whole array of arguments may put a negotiator at a disadvantage because it provides the opponent a greater variety of angles from which to flank, attack, or dispute in rebuttal. "The more reasons advanced, the more a case is potentially diluted. The poorest reason is a lowest common denominator: a weak argument generally dilutes a strong [Ref. 15:p. 6-12]." The dilution effect frequently leads to point rejection, while a single strong point offense consistently and energetically presented usually does well. Only when an argument begins to lose ground would the experienced negotiator move on to another argument. [Ref. 15:p. 6-12]

Preparation and patience seem to be the watchwords of the experienced negotiator. At the same time, the differences and similarities of the experienced and inexperienced negotiators may provide valuable insight not only into the negotiation process, but also into possible training programs that produce better negotiators in a shorter period of time.

## **E. SUMMARY**

This chapter has addressed the broad theoretical framework within which tactics and strategy, ethics, and the difference between experienced and inexperienced negotiators will be discussed. Nierenberg, Johnson, and Karrass are

the authors providing the foundation of thoughts and ideas on tactics and strategy. Their ideas are both pertinent to the issues upon which this research focused and are widely accepted.

The ethical issues all negotiators must wrestle with were also addressed. Both Lewicki and Karrass' extensive writings served as the foundation for this section. Although their writings are very much oriented to ethics and tactics, ethics issues pervade almost all aspects of negotiations.

The final area addressed was the distinction that can be drawn between the experienced and inexperienced negotiator. Research conducted by The Huthwaite Research Group shaped the thoughts and ideas in this area, addressing many issues in the areas of planning, sequencing of issues, and tactics.

Not one of these areas is completely independent. There are issues and ideas that are common to all three and should be addressed accordingly. Chapter III will address tactics and strategy, but it is important when addressing those issues to consider their impact on the other issues as well.

### **III. TACTICS AND STRATEGY**

#### **A. INTRODUCTION**

The purpose of this chapter is to present both the demographic and strategy and tactics data. The strategy and tactics data are also analyzed in this chapter. Part 1 of Questionnaire # 1 requested a variety of demographic information, such as age, education level, and work experience, from negotiators. It was completed, along with the remainder of the questionnaire, by the negotiators approximately four weeks prior to the negotiation itself, under circumstances free of the pressures and time constraints of an ongoing negotiation. The demographic data will be presented in the same format as in the questionnaire, broken down into experienced and inexperienced negotiators.

Tactics and strategy are an integral part of the negotiation process. The research attempted to identify those tactics and strategies considered acceptable and most often used by the negotiators and to develop a sense for the preparation undertaken to facilitate their use. The questions were designed to identify and track important issues and themes as the negotiation progressed. The examination and comparison of how experienced and inexperienced negotiators approached tactics and strategy issues is a critical aspect of this research; therefore, the data will be categorized into those two groups: experienced and inexperienced negotiators.

The data will be presented by order of questionnaire. The data from Questionnaire # 1 will be presented first, followed by the data in Questionnaires # 2, # 3, and # 4. The question will first be cited, followed by a brief explanation of the purpose of the question. For those questions requiring a short answer, a sampling of the most common responses will be provided, starting with those most often cited. For those questions requiring an assignment of numerical value, a statistical analysis will be provided, citing the Mean, Standard Deviation, Range, and Mode. Minitab statistical software package was used to compute the statistical values. As stated earlier, this data will be presented under the two major heading of "experienced" and "inexperienced" negotiators.

An analysis of the data will then be undertaken, comparing experienced and inexperienced negotiators and their views of negotiation tactics and strategy. It will be presented in two sections. The first section will be an analysis of the answers to the nine tactics and strategy questions on Questionnaire # 1. Questionnaire # 1 is analyzed separately because of the independent circumstances under which the answers were provided - the questions were not specific to any negotiation. The second section will be an analysis of the answers to the tactics and strategy questions in Questionnaires # 2, # 3, and # 4, tracking common themes or issues through the negotiation. These questions addressed the specific negotiation at hand.

## B. DEMOGRAPHICS

The demographic questions were designed to gather general background information from the negotiators. The questions provide specifics as to the breakdown of the two groups in terms of age, education level, background, and work experience. Part 1 of Questionnaire # 1 contained the demographic questions and was completed at the same time and under the same circumstances as the questions on tactics and strategy. The answers were provided under anonymous conditions, and the negotiators were not restricted to one answer when responding to the questions. This information is also broken down into experienced versus inexperienced negotiators. The results were as follows:

### Experienced Negotiators

<u>Age:</u>	20 - 25	<u>0</u>
	26 - 30	<u>2</u>
	31 - 40	<u>3</u>
	41 +	<u>5</u>

Education Level:	High School	1
	Bachelor's Degree	2
	Post-Bachelor's effort, no degree	3
	Master's Degree	4
	Doctorate Degree	0

1. Have you had any negotiation training? no training 1
  - a. college course 3
  - b. short course or seminar (outside the organization) 8
  - c. organization program (in-house) 6
  - d. other(s) : none 1

2. How long ago was this training completed?

- a. 0-3 yrs 5
- b. 4-6 yrs 1
- c. 7-10 yrs 2
- d. 11 + yrs 0

3. How long have you been with your present company?

- a. 0-5 yrs 6
- b. 6-10 yrs 4
- c. 11 + yrs 0

4. How many years of negotiation experience do you have?

- a. 0-2 2
- b. 3-6 5
- c. 7-10 0
- d. 11 + 3

5. Please describe the types of negotiating you have done. (e.g. ,R&D vs production, face-to-face vs telephone)

face-to-face

telephone

production

services

6. Are you a Government negotiator or an industry negotiator?

Industry

7. Is yours a large or small company? all were large companies

#### Inexperienced Negotiators

<u>Age:</u>	20-25	<u>0</u>
	26-30	<u>2</u>
	31-40	<u>9</u>
	41 +	<u>0</u>

Education Level: High School  
 Bachelor's Degree  
 Post-Bachelor's  
                   effort, no degree     11  
 Master's Degree     0  
 Doctorate Degree     0

(note: all inexperienced negotiators were students enrolled in the Acquisition and Contract Management curriculum at the Naval Postgraduate School - all had High School and Bachelor's degrees)

1. Have you any negotiation training? no training 4  
     a. college course 0  
     b. short course or seminar (outside your organization) 3  
     c. organization program (in-house) 2  
     d. other(s): NACO  
                   sales rep

2. How long ago was this training completed?  
     a. 0-3 yrs 3  
     b. 4-6 yrs 3  
     c. 7-10 yrs 1  
     d. 11 + yrs 0

3. How long have you been with your present company?  
     a. 0-5 yrs 1  
     b. 6-10 yrs 7  
     c. 11 + 3

4. How many years of negotiation experience do you have?  
     a. 0-2 10  
     b. 3-6 0  
     c. 7-10 1  
     d. 11 + 0

5. Please describe the types of negotiating you have done. (e.g., R&D vs production, face-to-face vs telephone, etc)

telephone for Request for Proposal  
 sales rep, face-to-face  
 R&D and production



6. Are you a Government negotiator or an industry negotiator?

Government

7. Is yours a large or small business?. N/A

### **C. QUESTIONNAIRE #1**

Questionnaire #1 was designed as the most comprehensive of the four questionnaires, covering the tactics and strategy issues from their theoretical to their practical aspects. It contained nine questions related to negotiation strategy and tactics. The questionnaire was completed by the negotiators approximately four weeks prior to the actual negotiation. It was purposely not linked to any specific negotiation and was completed at the negotiators' leisure. The design was to obtain answers from negotiators who were not under the pressures and time constraints present in an active negotiation. Industry questionnaires were mailed to the negotiators at their place of work, while student questionnaires were completed in class. In future research, it is recommended that student negotiators be allowed to complete the questionnaire at their leisure, returning it within a week. Specific instruction should be given to all negotiators not to collaborate on the answers. Additionally, future researchers may look at decreasing the number of or redesigning short answer questions to facilitate a less time consuming, less cumbersome questionnaire. Most of the negotiators felt the questionnaire was too

long and difficult to answer. This viewpoint may have impacted on the quality of the answers.

The following questions sought answers regarding negotiation strategy and tactics used by the negotiator:

QUESTION #3. How do you respond when tactics that may be viewed as unethical or unacceptable are used against you?

Purpose: This question was designed to evaluate how a negotiator might respond in a strategic or tactical sense to unethical or unacceptable tactics. This question may also give an idea as to how much preparation and thought was given to the issue. The answers provided by the two groups closely paralleled each other. The negotiators were not restricted to one answer. The responses were as follows:

Experienced

Ignore the issue (5)

Withdraw and become defensive (2)

Tell an opponent that his conduct is unacceptable, or demonstrate this message in a non-verbal fashion (2)

Suspend negotiations or walk out (1)

Inexperienced

Ignore the tactic, but remember it (6)

Send a subtle message that this tactic is unacceptable (4)

Angrily tell an opponent that this tactic is unacceptable (2)

**QUESTION #5.** What key word best describes your approach to a negotiation?

- a. competition
- b. compromise
- c. cooperation
- d. others \_\_\_\_\_

**Purpose:** This question was designed to identify a philosophical approach to the negotiation process in general. By knowing this, it may be easier to identify the strategy or tactics most often used by a negotiator or to understand how the experienced and inexperienced negotiator approach the negotiation process. The responses were as follows:

<u>Experienced</u>		<u>Inexperienced</u>	
Competition	0	Competition	2
Compromise	2	Compromise	4
Cooperation	7	Cooperation	6
Other: Accomplishment Satisfaction		Other: Contest Battle	

**QUESTION # 9.** When negotiating, how much attention do you pay to your opponent's non-verbal signals (e.g., facial expressions, bodily movements, etc.)?

1 - 10 scale

**Purpose:** The non-verbal signals an opponent sends may have a great impact on a negotiator's tactics. This question was designed to ascertain how much attention the experienced and inexperienced negotiators paid to these

signals. This, in turn, may lend some insight into the tactics used as a result of these signals. A value of 1 meant no attention was paid to the non-verbal signals, and a value of 10 meant a great deal of attention was paid to the non-verbal signals. The results were as follows:

Experienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.700	2.593	3 - 10	10

Inexperienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.455	2.296	2 - 9	2, 4, 6

QUESTION # 14. In developing your strategy and tactics, to what degree do you attempt to learn about your opponent's needs, capabilities, and goals? 1 - 10 scale

Purpose: The identification of an opponent's needs, capability, and goals is a critical step in developing one's own strategy and tactics. This question was designed to identify to what extent the experienced and inexperienced negotiator actually went about this process. A value of 1 meant the negotiator made no attempt to learn about an opponent's needs, and a value of 10 meant the negotiator made a great attempt to learn about an opponent's needs. The results were as follows:

Experienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.727	1.737	4 - 9	9

Inexperienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
8.545	1.293	6 - 10	8, 9, 10

QUESTION # 16. What tactics do you employ most often in a negotiation?

Purpose: This question was designed to identify those tactics used most often in a negotiation. Some negotiators may use certain tactics not because they apply, but because they suit the negotiator's personality or the negotiator feels more comfortable using them. Other negotiators may have a repertoire of tactics that they use, depending on the situation. This question may lend understanding as to which tactics are most commonly or most easily used, and which, by omission, are not used. The negotiators were not restricted to one answer, but it is apparent that neither group was well prepared to articulate the tactics they employed most. The responses were as follows:

Experienced

Inexperienced

No tactics, open  
communication on the  
issues (4)

No tactics, open  
communication on the  
issues (4)

Present and substantiate  
facts (3)

Bluff (3)

Forbearance, stretchout (1)

Set the agenda in an  
attempt to control the  
negotiation (3)

Question 16 (cont.)

Experienced

Play on opponent's emotions, charm - "you don't want to put me out of business" (1)

Inexperienced

Questions, probe for weakness and attack opponent's position (2)

QUESTION # 17. What tactics do you see employed most against you?

Purpose: This question was designed to examine tactics used in a negotiation, but from a different perspective. When a negotiator is asked to cite the tactics he most often sees used against him, he may in a way be citing the tactics he most often uses himself. He may, for his own reasons, be reluctant to divulge his own tactics, which may inadvertently translate into the tactics he feels he sees others using against him most often. The results were as follows:

Experienced

Questioning of authority (4)

Low-balling (3)

Take it or leave it offer (1)

Opponent feign being unprepared for negotiation (1)

Derision of proposal, position, or company policy (1)

Inexperienced

Leading questions (6)

Intimidation (5)

QUESTION # 18. Under what circumstances do you establish your opponent's authority limits at the beginning of a negotiation?

Purpose: This question was designed to evaluate not only how often the "lack of authority" tactic is employed, but also to examine why and under what circumstances a negotiator might establish that fact up front. It is a commonly used tactic, but the attempt by a negotiator to establish that authority at the beginning of a negotiation may, in itself, be an effective tactic to throw an opponent off balance. The responses were as follows:

<u>Experienced</u>	<u>Inexperienced</u>
Always (4)	If an opponent is not in a high position within the company (5)
Prior to the negotiation, but never at the table (2)	
Only if never negotiated with the company before (2)	If unaware of the opponent's authority (3)
Never (1)	If had a prior experience where the opponent did not accept responsibility for his actions (3)

QUESTION # 21. During a negotiation, how likely are you to use "irritators" to provoke or unsettle your opponent? (ex. gratuitous self-praise implying your opponent's position is unfair or unreasonable, or subtle negative allusions to your opponent's insight or attention to detail)

Purpose: This question was designed not only to evaluate to what extent this tactic is used, but also to gauge its effectiveness by looking at how often the

experienced negotiator uses it. Also, can an argument can be made that an "irritator" used without any hint of persuasion does nothing to further one's own cause? A value of 1 meant the negotiator was unlikely to use "irritators," and a value of 10 meant the negotiator was very likely to use "irritators." The results were as follows:

<u>Experienced</u>			
<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
3.800	2.486	1 - 9	3
<u>Inexperienced</u>			
<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.818	2.183	2 - 9	3

**QUESTION # 23.** In your planning, how frequently do you identify the specific sequence of issues to be addressed, as opposed to addressing issues, but in no specific sequence?

**Purpose:** This question was designed to evaluate to what degree negotiators see the setting of an agenda as a viable tactic. If an agenda is driven and obtained by a negotiator, then it can serve as an advantage to a negotiator. However, if a negotiator relies too much on an agenda and it is thrown into disarray, then it can put a negotiator at a disadvantage. Is the agenda a crutch, a tool, or a liability? A value of 1 meant the negotiator never sequenced issues, and a value of 10 meant the negotiator always sequenced issues. The results were as follows:



Experienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.000	2.357	2 - 9	5, 6, 9

Inexperienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.273	2.284	3 - 8	8

**D. QUESTIONNAIRE # 2**

Questionnaire # 2 was completed immediately prior to the negotiation by both the industry negotiators and the student negotiators. Containing 11 questions addressing strategies and tactics, it was designed to relate directly to the negotiation at hand and to lay the groundwork for specific tactics and strategy issues that would be tracked throughout the negotiation. In doing this, it was important to establish how the negotiators felt about their own position and how they felt about their opponent's position. Because this was the first questionnaire that addressed a specific negotiation, many questions were directed toward the type of planning done in preparation for the negotiation. It was also necessary, when designing the questions, to anticipate what types of follow-on questions would be required to track the issue through the entire negotiation and to constantly evaluate whether the questions address a relevant issue. Without doing this, it would have been very easy to get sidetracked and go outside the scope of the research. Because both students and industry negotiators were about to sit

down at the negotiating table, particular care was taken to keep the questionnaire from becoming too onerous an undertaking.

QUESTION # 9. What tactics and strategy do you anticipate employing in this negotiation?

QUESTION # 9a. What strategy?

QUESTION # 9b. What tactics?

Purpose: This question was designed to elicit a straight forward response regarding the strategy and tactics the negotiators intended to use. Another purpose was to observe what the negotiators considered a strategy and what they considered a tactic. As discussed earlier in Chapter II, defining each in precise terms has been a problem, thus part of the research was directed toward determining how negotiators described what they intended to do. The results were as follows:

Strategy

<u>Experienced</u>	<u>Inexperienced</u>
Negotiate, but not go below target price (4)	Control negotiation (6)
Adjust units offered to meet proposed price (2)	Use Defense Contract Audit Agency (DCAA) report (4)
Take it or leave it offer (2)	Talk bottom line only (3)
Win - win (1)	Low-ball offer (1)
	Attack proposal (1)

## Tactics

### Experienced

Made no distinction between tactics and strategy, or no answer (4)

Open, cooperative attitude (2)

Address cost elements first, fees last (2)

Listen and adjust accordingly (2)

### Inexperienced

Attack cost elements in the proposal (5)

Take control, follow an agenda (4)

Talk bottom line only (2)

Use a laptop computer to stay ahead or intimidate (1)

**QUESTION # 10.** What do you expect to be two principal areas of conflict in this negotiation?

**Purpose:** This question was designed to prompt the negotiator to think about areas of conflict if he had not already done so. Follow-on questions were designed to see what negotiators did with these areas and what tactics or strategies they used to resolve them, assuming they were resolved. It was important to identify whether and to what extent the negotiators had anticipated areas of conflict. The responses were as follows:

### Experienced

Audit rates vs company rates (4)

Profit (3)

### Inexperienced

Profit (5)

Rates (4)

Question 10 (cont.)

<u>Experienced</u>	<u>Inexperienced</u>
Estimating methods (3)	Contractor risk (3)
Material costs (2)	Delivery schedule (2)

QUESTION # 11. What do you expect to be two principal areas of agreement? What use do you intend to make of them, if any?

Purpose: This question was designed to see if either side had thought about areas of agreement and if the negotiators intended to capitalize on them. It also addressed what tactical use may be made of these areas. The responses were as follows:

<u>Experienced</u>	<u>Inexperienced</u>
Labor hours and material costs (5)	Contract type (4)
Rates (3)	Burden rates (3)
Approved accounting system (3)	Schedule (2)
Intended use: offer to change type of contract (2), go to the bottom line(1)	No mention of intended use (2)

QUESTION # 12a. Do you intend to obscure or camouflage any of your negotiating goals or objectives from your opponent? Yes or No. If "Yes," what tactics will you use for this purpose?

Purpose: This question was designed to identify the extent to which negotiators intended to deal with each other on a frank and candid basis, or if they would use some type of tactical measure to conceal their positions. Not only can this question suggest how a negotiator views the negotiation process in general, but also how willing he may be to confront the ethics of his actions. The responses were as follows:

<u>Experienced</u>	<u>Inexperienced</u>
No (1)	No (7)
Present information only as needed (4)	Evade questions (2)
Avoid direct answers to questions (2)	Use concessions in hard fought areas to conceal position (2)
Avoid discussing price ranges (1)	
Avoid questions, but allow 2 moves in own position to show good faith (1)	

QUESTION # 12b. How successful do you believe the tactics will be? (Please state in percentage terms)

Purpose: This question was designed to identify the negotiator's degree of confidence in the use of his tactics. One's own perspective as to how well he is doing is not always a good "reality check." An answer of 65% means the negotiator felt his tactics were successful 65% of the time. The results were as follows:

<u>Experienced</u>		<u>Inexperienced</u>	
Mean	65%	Mean	80%
Range	50% - 85%	Range	50%- 90%
Mode	50%	Mode	80%

**QUESTION # 13.** Have you identified any specific goals or objectives that you will attempt to keep your opponent from attaining? Yes or No.

**Purpose:** This question was designed to identify the general approach a negotiator may have to negotiations, the specific issues on which he may feel most vulnerable, and possibly his basic strategy in the negotiation. The responses were as follows:

<u>Experienced</u>	<u>Inexperienced</u>
No (5)	No (5)
Not establish credibility in DCAA audit (2)	Not achieve profit rate or attrition rate (4)
Not dismantle credibility in estimating techniques (2)	Not include G&A in calculating profit (2)

**QUESTION # 14.** How do you intend to control this negotiation?

**Purpose:** The purpose of this question was to determine both how important control was to a negotiator and how he intended to obtain it. The responses were as follows:

Experienced

No control required as long as issues are being discussed (3)

Attack opponent expertise on technical issues to destroy confidence (3)

Stretchout tactic until opponent is anxious to settle, then make small, incremental concessions (2)

Hold to bottom line (1)

Inexperienced

Stick to the agenda (7)

Hold to bottom line (3)

No control necessary as long as discussing issues (1)

**QUESTION # 15.** Have you prepared a written agenda that you intend to use for this negotiation? Yes or No.

**Purpose:** This question was designed to analyze the planning process and to see how much the negotiator would try to control the negotiation by pushing his own agenda. The fact that the agenda was written should give an idea as to how careful and thorough the negotiator was in his preparation or the extent to which he relied on it. Another consideration is that the strict agenda may narrow a negotiator's perspective and serve as an unsettling factor if not followed. The results were as follows:

Experienced

No 8

Yes 1

Inexperienced

No 10

Yes 1

**QUESTION # 16.** Have you prepared a list of "concessions or compromises" that you are willing to make in order to enhance your chances of attaining your real goals? Yes or No.

**Purpose:** Preparation of "concessions and compromises" is a useful tactic that requires careful research and planning prior to negotiating. Not only does this question give an indication of how thorough the negotiators were in their preparation, but also an idea of their breadth of knowledge and concern for flexibility that this tactic may give them. Doing this may indicate a "big picture" outlook on the negotiation. The result were as follows:

<u>Experienced</u>		<u>Inexperienced</u>	
No	4	No	0
Yes	5	Yes	11

**QUESTION # 18.** Do you expect that your opponent will deride your proposal or position? Yes or No. If he does, will you be willing to use the same tactic toward his proposal or position? Yes or No.

**Purpose:** Derision of an opponent's proposal is a common tactic that, even when expected, can cause friction in a negotiation. It is a negative tactic that few negotiators will profess to use up front. This question was designed to give a clearer indication of how acceptable this tactic is, especially if given the circumstance that it has already been used by an opponent. The results were as follows:



<u>Experienced</u>		<u>Inexperienced</u>	
<u>Expect it:</u>		<u>Expect it:</u>	
No	6	No	5
Yes	3	Yes	6
<u>Use it:</u>		<u>Use it:</u>	
No	6	No	5
Yes	2	Yes	5

#### **E. QUESTIONNAIRE # 3**

Questionnaire # 3 was designed to be a quick check of the progress being made during the negotiation. It contained four questions related to strategy and tactics, and was completed by the negotiators during one of the last caucuses in the negotiation. The negotiators were not told of this questionnaire prior to the negotiation for fear that the research (questionnaire) process might appear as too burdensome an ordeal and thus detract from the negotiation at hand. After it was determined by the researcher that most of the significant issues had been discussed ("negotiated"), the next caucus was chosen for the negotiators to complete the questionnaire. The caucus chosen was one typically surrounded by "hard bargaining," as opposed to earlier caucuses surrounded by initial offers or preliminary fact finding types of issues. After the negotiators had caucused and completed any business pertaining to the negotiation, the questionnaire was handed out and completed. In the first negotiation, the questionnaire was handed

out as soon as the negotiators broke for the caucus. This proved distracting and irritating to the negotiators as they had not yet completed the business for which they caucused; therefore, the timing was changed. The questionnaire took no longer than five minutes to complete and was composed of nine short questions, only one of which required a short answer. It was critical at this juncture that this questionnaire distract the negotiators as little as possible. In that respect, the questionnaire was a success. The questions seemed to be appropriate and easily answered.

QUESTION # 1a. To what extent do you believe you are achieving your objectives?

Purpose: This question was designed to assess the negotiator's satisfaction with the progress of the negotiation. It should also give an idea as to how well the tactical and strategic plan are holding up. If he is achieving his goals and objectives, then the chances are good that his tactics and strategy have served him well. A value of 1 meant the negotiators were not at all achieving their objectives, and a value of 10 meant the negotiators were achieving their objectives to a great extent. The results were as follows:

Experienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.222	1.716	2 - 8	7

Inexperienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.364	1.206	4 - 8	7

**QUESTION # 2a.** Are you using the tactics and strategy you planned to use?

Yes or No. If "yes," how successful do you believe you are at this point? 1 - 10 scale

**Purpose:** This question was designed to determine if the negotiator was adhering to his tactical and strategic game plan, and whether his plan was working. All 20 negotiators answered "yes" to the first part of the question. For the scaled portion of the answer, a value of 1 represented no success, and a value of 10 meant the negotiator was very successful. The results to the scaled portion of the question were as follows:

**Experienced**

<b><u>Mean</u></b>	<b><u>Standard Deviation</u></b>	<b><u>Range</u></b>	<b><u>Mode</u></b>
6.333	1.658	3 - 9	7

**Inexperienced**

<b><u>Mean</u></b>	<b><u>Standard Deviation</u></b>	<b><u>Range</u></b>	<b><u>Mode</u></b>
6.818	0.874	6 - 8	6

**QUESTION # 2b.** If not successful, why not?

- a. rejected it (tactic)
- b. no opportunity to use
- c. other \_\_\_\_\_

**Purpose:** This question was designed to find out why a tactic had not worked or had been abandoned. No answers indicated the planned tactics or strategy had been abandoned altogether, but some had not been fully implemented for the following reasons:

Experienced  
No opportunity to use (1)

Inexperienced  
New developments (2)  
Leader not following the  
plan (1)  
No opportunity to use (1)

QUESTION # 3. To what extent do you believe you are controlling the negotiation? 1 to 10 scale

Purpose: This question was designed to gauge the degree of success the negotiator felt he was having, after hard bargaining, in controlling the negotiation. A value of 1 represented no control, while a value of 10 represented total control. The results were as follows:

<u>Experienced</u>			
<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.556	1.333	4 - 7	4
<u>Inexperienced</u>			
<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.182	1.328	4 - 9	7, 8

#### F. QUESTIONNAIRE # 4

Questionnaire # 4 was the final questionnaire and was completed at the conclusion of the negotiation and debrief. It was designed to be brief and to address the negotiation in general terms. Of the 13 questions on the questionnaire, three related to strategy and tactics. At this point it was important to determine if

the negotiators were able to comply with their original tactical and strategic game plan, and if not, what caused them to change. The thoroughness with which a negotiator plans is important, but so too is an open mind and the willingness to change tactics and strategy when the situation requires. It is important to note that an agreement was reached in all four negotiations, an outcome that probably resulted in a more positive feeling and sense of accomplishment. This, understandably, is probably reflected in the answers. In future research, an interesting comparison could be drawn between those answers given in a negotiation in which an agreement was reached and those answers given where no agreement was reached.

**QUESTION # 2.** How effective do you think your tactics and strategy were?

Please state in percentage terms.

**Purpose:** This question was designed to gauge the success of the strategic and tactical game plan. A mean of 67% meant the tactics and strategy were effective 67% of the time. The results were as follows:

<u>Experienced</u>		<u>Inexperienced</u>	
Mean	67%	Mean	77%
Range	50 - 85%	Range	50 - 90%
Mode	60, 70%	Mode	80%

**QUESTION # 3.** Were you at any time forced to change your tactics or strategy? Yes or No. If "Yes," why were you forced to change?

Purpose: The purpose of this question is to see if the original planning process was successful and to what degree. The fact that a negotiator had to change his tactics does not mean he failed. In fact, it may mean that he was more flexible and adaptable in their use. Experienced negotiators expressed much greater willingness to change their tactics. The results were as follows:

<u>Experienced</u>	<u>Inexperienced</u>
No 1	No 7
Yes 8	Yes 4
Reasons: Situation changed (4)	Reasons: To reach agreement on certain issues (2)
Buyer controlled the negotiation and forced a changed (3)	Realized own offer was too low (1)
To reach an agreement, impasse seemed eminent (2)	Changed opinion on a major issue (G&A) (1)

QUESTION # 6. If it were your intention, were you able to obscure or camouflage your negotiating goals or objectives from your opponent? Yes or No or N/A. What was your principal tactic in doing so?

Purpose: This question was designed to identify whether a negotiator had used this tactic and whether it had been successful or not. It also addresses the negotiator's overall approach in terms of openness and candidness toward an opponent.

<u>Experienced</u>	<u>Inexperienced</u>
No 1	No 1
Yes 2	Yes 3
N/A 6	N/A 7
Tactics: Eluding the issue (1)	Tactics: low-ball (2)
Stretching out the issues until the end (1)	Not answer question and withdraw from the conversation when sensitive issues came up (1)

## **G. ANALYSIS**

The analysis will take place in two stages. First, the answers to the tactics and strategy questions on Questionnaire # 1 will be analyzed. Although there are themes in these questions that surface in later questionnaires, the answers to Questionnaire # 1 were provided in an environment independent of a specific negotiation; therefore, they will be analyzed separately from the other three questionnaires. Second, the answers to questionnaires #2, #3, and #4 will be analyzed in the sequence in which they address common issues that progress through the negotiation. Hopefully, common themes and a logical sequence will become apparent as the analysis proceeds.

### **1. Questionnaire # 1**

Question 5 sought to establish a general framework within which the negotiators approached the negotiations. It is not surprising that the majority of

negotiators chose the word "cooperative" as that which best described their approach to a negotiation. The inexperienced negotiator was, however, more inclined to choose "compromise" (4), and even "competition" (2), as the best descriptive word. By choosing "cooperative" as their most descriptive word, the experienced negotiators appear more cognizant of the set of circumstances that brought them together, the need to strike a bargain, and therefore placed more emphasis on the word that seemed most likely to lead them to an agreement. This approach is most often associated with a "win - win" strategy. "Competition" is certainly a legitimate way to characterize the negotiation process, but when chosen by the inexperienced negotiator as his best description, one is led to conclude he may be less likely to take the extra step needed to strike the bargain, making his approach more of a "win - lose" strategy.

Question 14 gives an idea of the depth of thought the negotiator might put into preparation for a negotiation. One would expect the experienced negotiator to spend a great deal of effort to find out his opponent's needs, goals, and capabilities as these would certainly impact on the tactics and strategy he assumes. A mean of 7.727 indicates this to be the case. The inexperienced negotiator, however, had an unexpected higher mean of 8.545. This may be explained in this case by the fact that the inexperienced negotiators are students preparing for a negotiation that will mean their final grade, while the experienced negotiator is preparing for a simulated negotiation with not quite the same level of relative importance. Additionally, the students answered the questionnaire



immediately following a student-on-student negotiation that took place in preparation for the final negotiation, so the necessity for this type of preparation was fresh in their mind. As stated earlier, future research should change that scenario.

Question 23 addresses sequence planning versus issue planning. Sequence planning bears many benefits, especially if the negotiator can be assured his agenda will be accepted, but it has a major drawback of possibly throwing a plan into disarray if not accepted or adhered to. Though issue planning may require a greater capability to think and organize effectively, it also offers the great benefit of flexibility. It is not surprising the inexperienced negotiator chose sequence planning as a useful aid in negotiations (mean 6.273) more often than the experienced negotiator (mean 6.000), for it offers the former a framework within which to operate, and the inexperienced negotiator may not yet have developed the confidence to do otherwise. In later questionnaires, inexperienced negotiators will list the "agenda" as their principal means to control the negotiation, whereas the experienced negotiators will focus more on movement toward an agreement rather than control as their principal focus. The more a negotiator feels comfortable with the process and the more confident he becomes in his own ability, the more willing he will be to bargain on an issue-by-issue basis.

Question 16 attempted to draw from the negotiators the tactics they used most often in a negotiation. Though the answers varied in depth and scope, most cited no particular tactic of choice, but rather open communication on the

issues as their favored approach. The answers presented by the experienced negotiators hinted of a more patient, methodical approach, while the inexperienced negotiators spoke more of the "bluff" and "attack." Both the experienced and inexperienced negotiators clearly lacked a vocabulary of tactical terms that would have allowed them to answer this question more completely. The fact that the inexperienced negotiators had participated in very few negotiations had left them at a deficit in answering this question.

Question 17 approached the same idea as the preceding question, but from a different angle. The experienced negotiators presented a clear array of tactics they had encountered in the past. The most common of these were the low-ball, derision of the proposal, and the "take it or leave it" offer. They seemed to have a better sense of the tactic and were better able to articulate what they saw when confronted with the tactic, as opposed to when they used it. Of the tactics cited, most seemed to fall in the category of "negative tactic," which may explain why negotiators seemed more prepared with a description. The inexperienced negotiators gave a paucity of answers. This is understandable because of their lack of either seeing or using tactics.

Question 21 addresses the likelihood of the negotiator to use "irritators" as a tactic in a negotiation. They are a more subtle form of confrontation and may range from negative comments about a proposal to the rolling of eyes when an opponent makes a statement. Regardless, use of "irritators" is a tactic designed to unsettle an opponent. Neither the experienced nor inexperienced negotiators

saw this as a particularly useful tactic, but the inexperienced negotiators anticipated a greater likelihood of use with a mean of 4.818, while the experienced negotiator had a mean likelihood of use of 3.800. Having serious questions about the persuasion factor in this tactic, the experienced negotiator seemed less likely to employ this type of tactic unless it clearly served to move the negotiation closer to an agreement.

Question 3 invoked almost identical responses from the experienced and inexperienced negotiators, alike, as to a response to unethical or unacceptable tactics on the part of an opponent. Both overwhelmingly responded that they would ignore the tactic or send a message to an opponent that his behavior was unacceptable. Only one negotiator, an experienced one, mentioned suspending or walking out of a negotiation because of the tactic. This hints of a strong commitment in both types of negotiators not to allow this type of behavior to sidetrack a negotiation. The responses from the experienced negotiators were, however, slightly stronger in their reaction, indicating a particular sensitivity to this issue. This may be because they have actually experienced this type of tactic in the past, or they are sensitive to the fact that they, themselves, have been criticized in the past for using these very tactics.

"Non-verbal" signals can play a major role in a negotiation, and the experienced negotiators recognized this more than did the inexperienced negotiators (question 9). With a mean of 7.700 for experienced negotiators and 5.455 for inexperienced negotiators, experienced negotiators expressed more faith

in the value of non-verbal signals given at the negotiating table. The fact that experienced negotiators have been in more positions to benefit from this practice of reading an opponent may explain their response. This is not, however, a practice free of danger for even the most experienced negotiator, because for every negotiator who is well versed in reading non-verbal signals, there is an opponent who is well versed at sending false non-verbal signals. It is an art best practiced with caution.

The question as to the limit of one's authority in a negotiation is not only an important issue, but can be developed into an effective tactic as well. Question 18 addresses how negotiators might handle this issue. Many experienced negotiators(4) stated they make it a non-issue by always establishing authority limits prior to a negotiation. Others expressed the follow-on sentiment that the negotiating table is not the place to touch on this issue if at all possible, leaving the impression that it is a poor precedent (ungentlemanly) to establish unless cornered. Inexperienced negotiators expressed a reliance on the opponent's position in the organization or past negotiations with the opponent to gauge the necessity to establish up front their opponent's authority.

## **2. Questionnaires # 2, # 3, and # 4**

Questions 9a and 9b of Questionnaire # 2 were designed to elicit a candid response as to the tactics and strategy the negotiators would attempt to implement. The answers varied greatly in both experienced and inexperienced responses. Experienced negotiators addressed general strategies of achieving a

reasonable profit or not going below their target price. Inexperienced negotiators cited talking bottom line or controlling the negotiation. From a tactical standpoint, both addressed attacking or defending cost elements as a tactic. The quality of answer from both experienced and inexperienced negotiators fell below expectation, however. This may be attributed to the lack of definitive vocabulary in this field. This does not by any means suggest that the negotiators did not have a clear idea of where they wanted to go and how they wanted to get there. They just did not seem to articulate it as well as expected. In fact, when queried on Questionnaire # 3 (questions 2a and 2b) as to whether they were using the tactics and strategy planned, both experienced (mean 6.333) and inexperienced (mean 6.818) negotiators expressed moderate success with their plan. None of the negotiators stated they had rejected their original tactical or strategic plan, but the experienced negotiators did note that the inexperienced negotiators were better prepared than they had anticipated. In question 1a (Questionnaire # 3), both sides appeared relatively satisfied with the extent to which they were achieving their objectives (experienced mean of 6.222 and inexperienced mean of 6.364), but approximately 50% of the negotiators on both sides stated they had changed their objective in some respect because of their opponent's actions. In the end, on Questionnaire # 4, experienced negotiators stated their tactics and strategy to be an average of 67% effective and the inexperienced negotiators stated a 77% effectiveness level (question 1). However, despite this general satisfaction, eight

of nine experienced negotiators stated they had changed their tactics or strategy, while only four of 11 inexperienced negotiators stated they had done the same.

Aside from the general observation that neither group articulated its position very well, the inexperienced negotiators appeared more optimistic about the use of their tactics and strategy than did the experienced negotiators. Stated differently, the experienced negotiators appeared more cautious in their assessment than did the inexperienced negotiators. This is, however, only a reflection of how one perceived his own situation, not what one's situation really was. The experienced negotiators appeared much more likely to change their tactics as the situation changed, thus possibly reflecting a better understanding of how strategy and tactics are meant to serve the negotiator.

Question 13 in Questionnaire # 2 asked negotiators to cite any goals they may attempt to keep their opponents from attaining. Of the experienced negotiators, five stated they had not identified any such goals, while five inexperienced negotiators stated the same. The experienced negotiators who answered positively seemed most concerned with not allowing the DCAA audit to gain credibility or with preventing their estimating techniques from being attacked. The inexperienced negotiators seemed most concerned with the opponent's profit percentage. The fact that approximately half of the negotiators expressed little concern for restricting an opponent's goal attainment reinforces the answers given in Questionnaire # 1 concerning the "cooperative" environment sought by the negotiators.

Conflict and, hopefully, agreement are important aspects of any negotiation. In responding to questions 10 and 11 on Questionnaire # 2, both sides identified anticipated areas of general conflict and agreement. Most areas of conflict centered on burden rates, estimating systems, and profit, while areas of agreement fell into contract type, material cost, and schedule. Neither group cited the intent to make tactical use of either a conflict or agreement type situation. Based on prior research, one would expect the experienced negotiator to take advantage of the areas of agreement and attempt to forge a common bond upon which to build a final agreement. This apparently was not the case. At least it was not overtly done. Even at that, only two of nine experienced and two of 11 inexperienced negotiators thought they would reach an impasse (question 4 on Questionnaire # 3). At this stage, the negotiation seemed to be going well. On Questionnaire # 4, both groups of negotiators cited discussion, compromise, and a focus on the bottom line as the keys to getting beyond these areas of conflict (question 8). All four negotiations resulted in an agreement.

To their credit, both sides seemed to have adopted the philosophy that as long as they are talking, there is hope for an agreement. One would have expected the experienced negotiators to use the areas of agreement to some tactical advantage and the inexperienced negotiators to have focused on the areas of conflict. Though not cited specifically, the answers provided by the experienced negotiators indicated a stronger need to move beyond areas of conflict and on to a final agreement. They may have, in fact, used areas of agreement to do just that.

Question 12a and 12b addressed the practice of obscuring one's goals and objectives from an opponent. Experienced negotiators stated they intended to do this, particularly as it related to their bottom line figures. Of the inexperienced negotiators, seven of eleven stated they did not intend do this. Only one experienced negotiator stated he would not do this. Those who answered "yes" stated they would avoid divulging this information by avoiding or selectively answering questions. The experienced negotiators' position on this issue appears appropriate and understandable. This is a generally accepted practice within the negotiation arena, since not to do so leaves a negotiator extremely vulnerable to an opponent, a practice that may border on negligence. One might guess that the inexperienced negotiators viewed this practice as unethical, and thus responded in the negative. The experienced negotiators had an average estimated success rate of 65%, while the inexperienced negotiator guessed they would experience an 80% success rate. Again, inexperienced negotiators are much more confident, or optimistic, that they can execute successfully. Interestingly, in Questionnaire # 4, only three negotiators stated that they actually camouflaged their goals, citing selective question answering as their principal tactic, while three of eleven inexperienced negotiators answered positively, citing the same tactic. The negotiators were not, in fact, as open and candid as their answers would lead one to believe, or as they would like to believe. The words "obscure" and "camouflage" may have assumed a negative, somewhat unethical meaning to the negotiators,



and in the euphoric atmosphere of having reached an agreement, the negotiators chose not to burden themselves with the prospects of having done this.

In Questionnaire # 2, question 14, negotiators were asked how they intended to control the negotiation. The experienced negotiators seemed less concerned about control as long as the issues were being discussed. They did intend, however, to attack their opponent's expertise on technical issues and to use stretchout tactics to maneuver their opponents into a difficult position. The inexperienced negotiators saw control as a major issue and the agenda as a means to achieve it. As stated earlier, this can be risky and may remove a degree of flexibility, especially from the inexperienced negotiator. However, this might serve, at least initially, as a useful crutch for the inexperienced negotiator as an attempt to maintain some semblance of order in the process. Oddly enough, on question 15, 10 of 11 inexperienced negotiators stated they had no written agenda. In observing the negotiation, it was apparent to the researcher, however, that the negotiators had made some effort to prioritize the issues they wanted to address. If it is chosen as a tactic, the negotiator must be careful not to "incite" an opponent into throwing the game plan into disarray. The degree of success this tactic enjoys may to a large degree depend on an amicable relationship between the negotiators. At the caucus, each group stated they had a moderate degree of control, with experienced negotiators' mean being 6.222 and inexperienced negotiators' mean being 6.364. This is, of course, the negotiators' view of how they

are doing and may not truly reflect what was actually taking place. And again, the experienced negotiators appear more cautious in their assessment.

Question 16 asked if "concessions or compromises" had been identified to offer during the negotiations. Better than half of the experienced negotiators answered positively (five of nine), while no inexperienced negotiators answered positively (zero of eleven). This shows a distinct lack of breadth in preparation on the part of the inexperienced negotiator and the needless foregoing of a useful tactic at the bargaining table. Not only have they not given thought to what they would be willing to give up at the negotiating table, but they have probably not given thought to what they might gain on the periphery. This is a lost opportunity.

In conclusion, it would appear that both sides came well prepared to execute a game plan, but they seemed unable to articulate well what that game plan was. This does not mean, however, that they did not execute it. Both sides were prepared to meet and overcome areas of conflict and genuinely sought an agreement. In fact, an agreement was reached in all four negotiations. Discussion and compromise were very much a part of the process, with little time wasted on needless posturing or competition. There were, however, many tactical tools left unused that may have meant an advantage to one side or the other, but this is an occurrence only overcome with training and experience.

## **H. SUMMARY**

This chapter addressed both the demographic data and the data related to strategy and tactics questions on the four questionnaires. The demographic data gave general information on both groups of negotiators, such as age, education level, and background and experience.

The strategy and tactics questions addressed a myriad of issues. The nine strategy and tactics questions on Questionnaire # 1 attempted to establish a general approach to negotiations and sought insight into such issues as negotiator authority, sequencing of issues, and planning considerations. Questionnaires # 2, # 3, and # 4 were oriented to the specific negotiation, attempting to track relevant issues and themes through the negotiation process. They addressed such issues as what tactics and strategies were employed and how successful they were, or how successful negotiators were at meeting their goals and objectives.

Many of these issues bear relevance not just to the strategy and tactics practiced by experienced and inexperienced negotiators, but to a great many other issues associated with the negotiation process. Chapter IV will explore one such issue, that of ethics in negotiations. Table I is a recap of the statistical results of questions in this chapter.

**TABLE I.**  
**CHAPTER III STATISTICAL RECAP**

Questionnaire	Question	Experienced			Inexperienced		
		Mean	St. Dev.	Range	Mean	St. Dev.	Range
Questionnaire # 1							
	Q. 9	7.700	2.593	3-10	5.455	2.296	2-9
	Q. 14	7.727	1.737	4-9	8.545	1.293	6-10
	Q. 21	3.800	2.486	1-9	4.818	2.183	2-9
	Q. 23	6.000	2.357	2-9	6.273	2.284	3-8
Questionnaire # 2							
	N/A						
Questionnaire # 3							
	Q. 1a	6.222	1.716	2-8	6.364	1.206	4-8
	Q. 2a	6.333	1.658	3-9	6.818	.0874	6-8
	Q. 3	5.556	1.333	4-7	7.182	1.328	4-9
Questionnaire # 4							
	N/A						

## IV. ETHICS IN NEGOTIATION

### A. INTRODUCTION

The purpose of this chapter is to examine the empirical data regarding ethical decision making. The negotiators answered a myriad of questions over the course of the four questionnaires, dealing not only with ethical issues in general, but also with the ethical nature of decisions concerning specific tactics and strategies.

The data will be presented in two sections. The first section contains the answers given in response to Roy J. Lewicki's 18 questions as to whether a specific tactic is appropriate or likely. Lewicki's questions required a simple scaling from 1 to 7 for appropriateness and likelihood of various tactics. The numerical value 1 represented an event that was highly inappropriate, while a value of 7 represented an event that was highly appropriate. The assignment of value to the likelihood of an event followed the same logic. The statistical analysis will be presented immediately following each question. Lewicki's questions were presented as a separate section on Questionnaire # 1, but were completed under the same conditions as the other questions on Questionnaire # 1.

The second section presents the answers provided in response to the remaining eight questions concerning ethics on Questionnaire # 1. These questions were developed by the researcher. As a reminder, Questionnaire #1 was completed four weeks prior to the negotiation in an environment free of the

time constraints and pressures normally associated with an actual negotiation. The answers provided on Questionnaires #2, #3, and #4 relate specifically to the negotiation at hand. The answers to the questions will be presented in order of questionnaire. Not only will the question be restated, but the purpose of the question will be also be addressed. For those questions requiring an assignment of a numerical value, the answer was scaled from 1 to 10 (as opposed to Lewicki's 1 to 7), with the significance of 1 and 10 being recapped for each question. The statistical analysis will then be presented, citing the Mean, Standard Deviation, Range, and Mode. For those questions requiring a short answer, a sampling of the most commonly cited answers will be provided, starting with those most often cited. The Minitab statistical software package was used to compute the statistical information.

The analysis of the data will take place in three stages. The answers to Lewicki's questions will be the first analyzed, comparing the answers of experienced versus inexperienced negotiators. The second stage will be an analysis of the answers provided to the remaining eight ethics oriented questions on Questionnaire #1. They will be analyzed separately because of the independent circumstances under which the answers were provided. The final stage will be an analysis of the answers provided on Questionnaires #2, #3, and #4. The analysis will attempt to develop any common themes that may arise and to track ethical issues through the negotiation process.

## B. LEWICKI'S TACTICS

Roy J. Lewicki's study centered on two aspects of negotiation tactics, (1) appropriateness and (2) likelihood of use, and how negotiators viewed the tactics in terms of ethics. His 18 questions were originally given to 145 respondents, 48 MBA students and 97 Government bank regulators. Statistical analysis was conducted, and the various tactics were then grouped according to the degree of acceptability. The tactics cited are reasonably common tactics that vary in their magnitude of dishonesty. Those same 18 questions were asked in Questionnaire # 1 to both industry and student negotiators. The questions presented in Questionnaire # 1 are exactly the same as those presented by Lewicki; however, Lewicki's introductory situation used for his research with his students and bank regulators (a win-lose philosophy) was not presented to the student and industry negotiators in this research. It was excluded in an effort to gather data free of situational or external influences. Again, Lewicki used a scale of 1 to 7 for appropriateness and likelihood of a tactic, with 1 representing a tactic not at all appropriate or likely and 7 representing a tactic very appropriate or likely.

QUESTION A. Threaten to harm your opponent if he/she doesn't give you what you want, even if you know you will never follow through to carry out the threat.

### Experienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.000	0.000	1 to 1	1

Experienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.000	0.000	1 to 1	1

Inexperienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.182	0.603	1 to 3	1

Inexperienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.182	0.405	1 to 2	1

QUESTION B. Promise that good things will happen to your opponent if he/she gives you what you want, even if you know that you can't (or won't) deliver those good things when the other's cooperation is obtained.

Experienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.200	0.632	1 to 3	1

Experienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.100	0.316	1 to 2	1

Inexperienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.000	0.000	1 to 1	1

Inexperienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.364	0.924	1 to 4	1



QUESTION C. Lead the other negotiator to believe that they can only get what they want by negotiating with you, when in fact they could go elsewhere and get what they want cheaper or faster.

Experienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
3.000	1.700	1 to 5	1, 5

Experienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
3.100	1.969	to 7	1

Inexperienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.182	1.834	2 to 7	4

Inexperienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.182	1.328	2 to 7	4

QUESTION D. Hide your real bottom line from your opponent.

Experienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.300	0.949	4 to 7	7

Experienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.300	1.059	4 to 7	7

Inexperienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.727	1.421	3 to 7	7

Inexperienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.091	1.136	4 to 7	7

QUESTION E. Make an opening demand that is far greater than what one really hopes to settle for.

Experienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.300	1.829	1 to 7	5, 7

Experienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.400	2.011	1 to 7	7

Inexperienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.182	1.662	3 to 7	3,6,7

Inexperienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.273	1.737	3 to 7	7

QUESTION F. Gain information about an opponent's negotiating position and strategy by "asking around" in a network of your own friends, associates, and contacts.

Experienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.200	2.300	1 to 7	4

Experienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.100	2.558	1 to 7	1, 7

Inexperienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.818	1.537	3 to 7	7

Inexperienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.000	1.549	3 to 7	7

QUESTION G. Gain information about an opponent's negotiating position by paying friends, associates, and contacts to get this information for you.

Experienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.000	0.000	1 to 1	1

Experienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.000	0.000	1 to 1	1

Inexperienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.364	0.674	1 to 3	1

Inexperienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.364	0.809	1 to 3	1

QUESTION H. Gain information about an opponent's negotiating position by trying to recruit or hire one of your opponent's key subordinates (on the condition that the key subordinate bring confidential information with him/her).

Experienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.000	0.000	1 to 1	1

Experienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.000	0.000	1 to 1	1

Inexperienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.364	0.924	1 to 4	1

Inexperienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.727	1.849	1 to 7	1

QUESTION I. Gain information about an opponent's negotiating position by cultivating his/her friendship through expensive gifts, entertaining, or "personal favors."

Experienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.000	0.000	1 to 1	1

Experienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.000	0.000	1 to 1	1

Inexperienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.545	1.809	1 to 7	1

Inexperienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.818	1.940	1 to 7	1

QUESTION J. Make an opening offer or demand so high (or low) that it seriously undermines your opponent's confidence in his/her own ability to negotiate a satisfactory settlement.

Experienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.500	1.434	1 to 5	3

Experienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.600	1.713	1 to 6	1

Inexperienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
3.182	2.040	1 to 7	2

Inexperienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
3.273	2.149	1 to 7	2

QUESTION K. Talk directly to the people who your opponent reports to, or is accountable to, and tell them things that will undermine their confidence in your opponent as a negotiator.

Experienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.500	1.080	1 to 4	1

Experienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.200	0.632	1 to 3	1

Inexperienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.091	0.306	1 to 2	1

Inexperienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.091	0.302	1 to 2	1

QUESTION L. Talk directly to the people whom your opponent reports to, or is accountable to, and try to encourage them to defect to your side.

Experienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.000	0.000	1 to 1	1

Experienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.000	0.000	1 to 1	1

Inexperienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.091	2.212	1 to 7	1

Inexperienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.636	1.286	1 to 5	1

**QUESTION M.** Convey a false impression that you are in absolutely no hurry to come to a negotiation agreement, thereby trying to put more time pressure on your opponent to concede quickly.

Experienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.500	1.900	1 to 7	3,4,5,7

Experienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.400	1.955	1 to 7	3,5,7

Inexperienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.909	1.758	2 to 7	4

Inexperienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.818	1.834	2 to 7	4,7

**QUESTION N.** Threaten to make your opponent look weak or foolish in front of a boss or others to whom he/she is accountable.

**Experienced - Appropriate**

<b><u>Mean</u></b>	<b><u>Standard Deviation</u></b>	<b><u>Range</u></b>	<b><u>Mode</u></b>
1.200	0.422	1 to 2	1

**Experienced - Likely**

<b><u>Mean</u></b>	<b><u>Standard Deviation</u></b>	<b><u>Range</u></b>	<b><u>Mode</u></b>
1.400	0.966	1 to 4	1

**Inexperienced - Appropriate**

<b><u>Mean</u></b>	<b><u>Standard Deviation</u></b>	<b><u>Range</u></b>	<b><u>Mode</u></b>
2.091	2.212	1 to 7	1

**Inexperienced - Likely**

<b><u>Mean</u></b>	<b><u>Standard Deviation</u></b>	<b><u>Range</u></b>	<b><u>Mode</u></b>
2.182	2.183	1 to 7	1

**QUESTION O.** Intentionally misrepresent factual information to your opponent in order to support your negotiating arguments or position.

**Experienced - Appropriate**

<b><u>Mean</u></b>	<b><u>Standard Deviation</u></b>	<b><u>Range</u></b>	<b><u>Mode</u></b>
1.000	0.000	1 to 1	1

**Experienced - Likely**

<b><u>Mean</u></b>	<b><u>Standard Deviation</u></b>	<b><u>Range</u></b>	<b><u>Mode</u></b>
1.200	0.632	1 to 3	1



Inexperienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.273	2.005	1 to 7	1

Inexperienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.545	1.864	1 to 7	1

QUESTION P. Intentionally misrepresent the nature of negotiations to the press or your constituency in order to protect delicate discussions that have occurred.

Experienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.000	1.563	1 to 6	1

Experienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.000	1.500	1 to 5	1

Inexperienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.636	2.111	1 to 7	1

Inexperienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.727	2.149	1 to 7	1

QUESTION Q. Intentionally misrepresent the progress of negotiations to the press or your constituency in order to make your own position or point of view look better.

Experienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.300	0.483	1 to 2	1

Experienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.200	0.632	1 to 3	1

Inexperienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.636	2.014	1 to 7	1

Inexperienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.727	2.005	1 to 7	1

QUESTION R. Intentionally misrepresent factual information to your opponent when you know that he/she has already done this to you.

Experienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.000	0.000	1 to 1	1

Experienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.400	1.265	1 to 5	1

Inexperienced - Appropriate

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.364	2.014	1 to 7	1

Inexperienced - Likely

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
2.818	2.040	1 to 7	1

**C. QUESTIONNAIRE # 1**

Of the 24 questions on Questionnaire #1, eight questions addressed the issue of ethical behavior, touching on such broad topics as the negotiator's attitude in terms of openness, why negotiators deceive and who influences their decision to deceive, and the difference between buyer's ethics and seller's ethics. Not only do these questions provide a sense of understanding for the negotiator's ethical approach to the negotiation process, but they may also, in a broader sense, give an idea as to the negotiator's strategic approach to a negotiation.

QUESTION # 4. To what extent are ethical issues a priority/consideration in your preparation for a negotiation? Please state extent and rationale.

Purpose: This question was designed to evaluate the extent to which a negotiator analyzed the issues and his position in light of the ethical issues that may surface. Are unethical situations events that just occur, or are they events that can be anticipated and thus prevented? Experienced negotiators, in general, seemed more aware of the issue and addressed "personal standards" more often

as a driving factor. Only one negotiator, an inexperienced negotiator, failed to answer the question. The answers tended to fall into the following categories:

<u>Experienced</u>	<u>Inexperienced</u>
High priority, personal standards and accurate facts and data are drivers (4)	Top priority that cannot be overlooked (4)
"top priority, but a given" (3)	Not a priority because it is a "given" (4)
No concern or preparation, it is a given (2)	Important issue, no elaboration (2)

QUESTION # 6. How "frank and candid" are you normally during a negotiation? scaled 1 to 10

Purpose: This question was designed to evaluate the negotiators penchant for open discussions, or even how prone he may be toward deceptive tactics. It may also give insight as to the strategic approach a negotiator might assume in a negotiation. A value of 1 represented "none" and a 10 represented "very frank." The experienced negotiators provided a wider range of marking, in general, but they also noted in two instances that they often started out as not very frank and became more open as the negotiation progressed. Only one inexperienced negotiator marked a numerical value below 6.

<u>Experienced</u>			
<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.900	2.132	3 to 9	8

Inexperienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.909	1.514	4 to 9	6

QUESTION # 7. How much do you employ a "truth and trust" approach as opposed to a "deception and maneuver" approach during a negotiation? scaled 1 to 10

Purpose: This question was designed to contrast the two approaches to the negotiation process, and to evaluate how close to the issue of ethics the negotiator was willing to venture. The numerical value 1 represented a strong "truth and trust" position and 10 represented a strong "deception and maneuver" position, with the 5/6 range representing equal use of the two approaches. The experienced negotiators assigned no values higher than 3, while the inexperienced negotiators assigned several (5) values in the 4 to 6 range, indicating a stronger inclination toward the "deception and maneuver" approach.

Experienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
1.800	0.789	1 to 3	1,2

Inexperienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
3.455	1.128	2 to 6	3,4

**QUESTION # 8.** What would be a principal reason you would expect a negotiator to attempt to "deceive" during a negotiation?

- a. increase power
- b. disarm an opponent
- c. strike the best deal, to their advantage
- d. camouflage one's own position or objective
- e. other reason \_\_\_\_\_

**Purpose.** This question was designed to evaluate the factors that might lead a negotiator to lie or to deceive his opponent. Negotiators were not limited to one answer, and most chose answers c and d as the most likely candidates, while only one experienced negotiator chose "power" as a reason to deceive an opponent.

The answers were as follows:

<u>Options</u>	<u>Experienced</u>	<u>Inexperienced</u>
a. increase power	1	3
b. disarm an opponent	2	3
c. strike the best deal, to their advantage	5	6
d. camouflage one's own position or objective	4	6
e. other reasons _____	none	protect one's position(1) and lack of preparation(1)

**QUESTION # 10a.** To what extent would you agree that the ethics associated with strategy and tactics practiced around the negotiating table are different from those practiced in other business relationships? scaled 1 to 10

**Purpose:** This question was designed to evaluate whether the negotiation is a unique arena or if it is just another aspect of business. A 1 represented "no different," and a 10 represented "very different." Experienced negotiator's had only 3 values above a 3, and all were 7's, while inexperienced negotiators had only 2 values below a 3, and both were 1's.

**Experienced**

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
3.600	2.503	1 to 7	3

**Inexperienced**

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.364	2.693	1 to 9	1,6,8

**QUESTION # 10b.** In what ways are the ethics different?

**Purpose:** This question was designed to make an ethical distinction between negotiation and other business practices. Of the experienced negotiators, seven of nine cited no difference, while of the inexperienced negotiators, only three of 11 cited no difference. The answers fell into the following categories:

**Experienced**

no difference (7)  
more scrutiny (1)

**Inexperienced**

higher ethics demanded in  
negotiation (4)

Question 10b. (cont)

<u>Experienced</u>	<u>Inexperienced</u>
higher ethical demand (1)	less ethics in negotiation (3)
	no difference (3)

QUESTION # 11a. Do you believe the ethical perspectives of a buyer are different from those of a seller? Yes or No.

Purpose: This question was designed to ascertain whether the ethics on one side of the table are different from the ethics on the other side of the table. Are one's motivations and inclinations different, depending on which side of the table he sits? The vast majority of the negotiators answered "no" to this question.

<u>Experienced</u>	<u>Inexperienced</u>
No 7	No 8
Yes 2	Yes 3

QUESTION # 11b. If "yes," then in what way might they be different?

Purpose: This question solicited, in ethical terms, the difference between buyer and seller. For those who answered "yes," the answers were as follows:

<u>Experienced</u>	<u>Inexperienced</u>
Buyers are more cautious(1)	Sellers are more likely to deceive the buyer (2)

Question 11b. (cont)



Experienced

Seller requires higher  
ethical standard to remain  
in business (1)

Inexperienced

Both sides adjust their  
tactics to meet the  
needs(1)

QUESTION # 12. Does your organization have a Code of Ethics? Yes or No.

If so, how much has it influenced your conduct at the negotiating table? scaled 1  
to 10

Purpose: This question was designed to evaluate whether or not an  
organization's Code of Ethics influences action. All experienced negotiators stated  
their companies have a Code of Ethics. Only one negotiator cited an influence  
value below a 6. He stated his own personal ethics were higher than the  
company's. Only one inexperienced negotiator's organization had no Code of  
Ethics. All other inexperienced negotiators cited values of 6 or greater. In assigning  
numerical value, a 1 represented "no influence" and a 10 represented "great  
influence."

Experienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.700	2.946	1 to 10	10

Inexperienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
8.700	1.252	6 to 10	8,9,10

**QUESTION # 13.** To what extent is your handling of ethical issues influenced by: Peers; boss; organization policy; personal standards? scaled 1 to 10 for each.

**Purpose:** This question was designed to evaluate the various factors that may influence a negotiator's decision concerning ethical issues. A value of 1 represented "no influence," while a value of 10 represented "great influence." No other influences outside those depicted were cited by the negotiators.

**Experienced - Peers**

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
3.300	2.452	1 to 8	1,3

**Inexperienced - Peers**

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.273	2.453	2 to 9	9

**Experienced - Boss**

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.400	3.370	1 to 10	1

**Inexperienced - Boss**

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.909	2.427	2 to 10	8

**Experienced - Organization Policy**

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.700	3.020	1 to 10	8

Inexperienced - Organization Policy

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.364	2.618	2 to 10	9

Experienced - Personal Standards

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
9.600	0.843	8 to 10	10

Inexperienced - Personal Standards

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
9.182	1.471	5 to 10	10

**D. QUESTIONNAIRE # 2**

Questionnaire # 2 was completed immediately prior to the negotiation. Of the 18 questions on the questionnaire, two addressed ethical issues. One question addressed any ethical issues the negotiator anticipated surfacing, while the other question addressed any information the negotiator expected to "misrepresent" during the negotiation.

QUESTION # 8. In the course of your preparation, have you identified any ethical issues that you anticipate will surface? What are they?

Purpose: The purpose of this question was to address issues that may have already surfaced in preparation for the negotiation. It also addressed the depth of preparation and the ability of the negotiator to recognize and possibly defuse any destabilizing factors. Of the nine experienced negotiators and 11 inexperienced

negotiators questioned, only one experienced negotiator anticipated any ethical issues surfacing. The responses were as follows:

<u>Experienced</u>	<u>Inexperienced</u>
No 8	No 11
Yes 1	Yes 0

Issue: Government negotiators will debate at length prior to extending an offer

QUESTION # 17. Is there any factual information that you intend to "misrepresent" in order to support your own negotiating position? Yes or No.

Purpose: This question was designed to evaluate the extent to which a negotiator was willing to be open in his approach. The quotation marks were an attempt to soften an otherwise hard, negative connotation associated with the word "misrepresent." No negotiator, either experienced or inexperienced, answered "yes" to this question. The results were as follows:

<u>Experienced</u>	<u>Inexperienced</u>
No 9	No 11
Yes 0	Yes 0

#### **E. QUESTIONNAIRE # 3**

Questionnaire # 3 was completed at a caucus that took place after hard bargaining and relevant issues had been discussed. From an ethics issues

standpoint, the timing of this questionnaire was critical, as enough discussion had to have taken place and enough issues had to have been addressed so as to allow any ethical issues to surface. Additionally, because of the time constraint and the consideration of not allowing this questionnaire to become too onerous an undertaking for the negotiators, it was possible only to address whether or not any ethical issues had surfaced, not what those specific issues may have been. Of the nine questions asked in Questionnaire # 3, one question addressed whether any ethical issues had surfaced.

**QUESTION # 9.** Have you encountered any unethical tactics? Yes or No.

**Purpose:** This question was designed to merely note whether or not the negotiators had encountered any unethical tactics. None of the negotiators answered "yes" to this question; however, three experienced negotiators failed to answer the question. This was considered an oversight on their part, not an intentional act, as they had failed to answer all the questions on the reverse side of the questionnaire. The results of the question are as follows:

<u>Experienced</u>	<u>Inexperienced</u>
No 6	No 11
Yes 0	Yes 0

#### **F. QUESTIONNAIRE # 4**

Questionnaire # 4 was the final questionnaire presented at the completion of the negotiation and debrief. Of the 13 questions on the questionnaire, two

questions addressed ethics issues. The first question not only addressed if a negotiator had been confronted with any unethical conduct, but also what that conduct was. The second question addressed the issue of misrepresentation in an attempt to follow up on the question that addressed the same issue in Questionnaire # 2.

**QUESTION # 7.** Were you confronted with any unethical conduct? Yes or No.

If "Yes," what was it?

**Purpose:** This question was designed to address, in a very open ended fashion, whether the negotiator had encountered any unethical conduct. None of the negotiators, experienced or inexperienced, answered "yes" to this question. The results were as follows:

<u>Experienced</u>	<u>Inexperienced</u>
No 9	No 11
Yes 0	Yes 0

**QUESTION # 9.** Did you "misrepresent" any factual information in order to support your negotiating position? Yes or No. How effective were you in using this tactic? scaled 1 to 10

**Purpose:** This question was designed to follow up on previous questions addressing the "misrepresentation" issue. Of all the respondents, only one experienced negotiator answered "yes" to this question. One additional experienced negotiator failed to answer the question. This is believed to be an

inadvertent mistake, as he failed to answer any of the questions on the reverse side of the questionnaire. The one negotiator who answered "yes" cited a value of 8 to the effectiveness of this tactic. A value of 1 meant the tactic was not effective, while a value of 10 meant the value was very effective.

<u>Experienced</u>	<u>Inexperienced</u>
No 7	No 11
Yes 1	Yes 0
Failed to answer: 1	

## **G. ANALYSIS**

As stated earlier, this analysis will be conducted in three stages. The first stage will be an analysis of the Lewicki data, drawing a comparison between experienced and inexperienced negotiators. The second stage will be an analysis of the remaining questions in Questionnaire # 1 concerning ethics, and the final stage will be an analysis of the answers provided in response to Questionnaires # 2, # 3, and # 4. The purpose of the last being to develop any common themes that may have developed through the negotiation.

### **1. Lewicki Questions**

An analysis of the answers provided to the Lewicki questions points to some interesting results. An examination of the data revealed that the differences in the answers provided by the experienced negotiators and those provided by the experienced negotiators were minimal. For the "appropriate" rating, the average

difference between the answers provided by experienced negotiators and those provided by inexperienced negotiators was approximately 0.65, and the average difference for the "likely" rating was 0.83. The results also indicated a strong relationship between the ratings provided in the "appropriate" category and those provided in the "likely" category. In only six of 36 comparisons was the difference between the "appropriate" value and the "likely" value provided by each negotiator greater than 3. Additionally, of the 18 questions asked, inexperienced negotiators responded with a higher value than experienced negotiators in 14 of those 18 questions in the appropriateness category, and in 15 of the 18 questions in the likelihood category. The four and three respective questions that fall into this category appear to bear no discernable relationship to each other.

There does, however, appear to be a strong difference in both appropriateness and likelihood amongst the various tactics. Based on the means, the tactics can be divided into three categories: 1) acceptable, 2) unacceptable, and 3) gray area. There were four acceptable tactics, all of which had a mean value for both appropriateness and likelihood between 4.200 and 6.700. These four questions were:

QUESTION D. Hide your real bottom line from your opponent.

QUESTION E. Make an opening demand that is far greater than what one really hopes to settle for.



**QUESTION F.** Gain information about an opponent's negotiating position and strategy by "asking around" in a network of your own friends, associates, and contacts.

**QUESTION M.** Convey a false impression that you are in absolutely no hurry to come to a negotiation agreement, thereby trying to put more time pressure on your opponent to concede quickly.

There were 12 questions that fell into the unacceptable category. They had means ranging from 1.00 to 2.800 in both the appropriateness and likelihood categories. These twelve questions were:

**QUESTION A.** Threaten to harm your opponent if he/she doesn't give you what you want, even if you know you will never follow through to carry out the threat.

**QUESTION B.** Promise that good things will happen to your opponent if he/she gives you what you want, even if you know that you can't (or won't) deliver those good things when the other's cooperation is obtained.

**QUESTION G.** Gain information about an opponent's negotiating position by paying friends, associates, and contacts to get this information for you.

**QUESTION H.** Gain information about an opponent's negotiating position by trying to recruit or hire one of your opponent's key subordinates (on the condition that the key subordinate bring confidential information with him/her).

**QUESTION I.** Gain information about an opponent's negotiating position by cultivating his/her friendship through expensive gifts, entertaining, or "personal favors."

**QUESTION K.** Talk directly to the people who your opponent reports to, or is accountable to, and tell them things that will undermine their confidence in your opponent as a negotiator.

**QUESTION L.** Talk directly to the people whom your opponent reports to, or is accountable to, and try to encourage them to defect to your side.

**QUESTION N.** Threaten to make your opponent look weak or foolish in front of a boss or others to whom he/she is accountable.

**QUESTION Q.** Intentionally misrepresent factual information to your opponent in order to support your negotiating arguments or position.

**QUESTION P.** Intentionally misrepresent the nature of negotiations to the press or your constituency in order to protect delicate discussions that have occurred.

**QUESTION Q.** Intentionally misrepresent the progress of negotiations to the press or your constituency in order to make your own position or point of view look better.

**QUESTION R.** Intentionally misrepresent factual information to your opponent when you know that he/she has already done this to you.

Finally, two questions fell into the gray area. Their means fell between 2.500 and 3.200 for both appropriateness and likelihood. These questions were:

**QUESTION C.** Lead the other negotiator to believe that they can only get what they want by negotiating with you, when in fact they could go elsewhere and get what they want cheaper or faster.

**QUESTION J.** Make an opening offer or demand so high (or low) that it seriously undermines your opponent's confidence in his/her own ability to negotiate a satisfactory settlement.

These three categories were defined by establishing major break points in the means. No scientific or statistical method was used to establish these breaks. There may also be a small overlap between the categories when considering individual means, but when all the means for a question were considered, the question clearly fell into one category or another.

There are commonalities among the questions in each category that allow a general characterization of that category. The acceptable tactics are those most often found in the traditional competitive bargaining arena and can be characterized as such. The unacceptable category can be described as tactics that misrepresent the facts, isolate the opponent, or manipulate the opponent's environment in an effort to harm him. The gray area tactics are on the fringes of the manipulation description, but they tend to be more oriented to the manipulation of an opponent's opinion, rather than his environment.

Though the tactics used in Lewicki's questions represent a narrow range of the tactics available to a negotiator, they do serve to identify the difference in perspective between experienced and inexperienced negotiators on many ethical

issues. From the data, however, that difference does not appear to be great. Though inexperienced negotiators appear to have a more aggressive philosophy in the use of questionable tactics, this does not mean that they are less ethical. This is reasoned from the fact that inexperienced negotiators seemed to attach the same values to each tactic as did the experienced negotiators. They both have strong feelings as to the ethical nature of each tactic, feelings that seem to mirror each other. Those feelings are well within what one would consider to be a reasonable perspective, or a responsible value judgement. There were no instances where one group of negotiators thought a tactic to be clearly inappropriate and the other thought the tactic to be clearly appropriate.

This does not mean, however, that neither group presented diverse opinions within itself. This can be seen quite often in answers provided by inexperienced negotiators. An examination of the standard deviations for all questions reveals an average standard deviation of 0.830 for experienced negotiators and 1.517 for inexperienced negotiators. This indicates a wider spread of opinions amongst inexperienced negotiators than amongst experienced negotiators. Closer examination of the questions reveals that experienced negotiators had a standard deviation greater than 2.000 on only one question (question F), while inexperienced negotiators had a standard deviation greater than 2.000 on seven questions (questions J, L, N, O, P, Q, and R). A look at the individual answers in each case points to two, and in some cases three, inexperienced negotiators who marked answers significantly different from the

others in their group. In no case was there a broad difference in marking across the entire spectrum of inexperienced negotiators. In the group of inexperienced (student) negotiators, there are two foreign students. Though there is no way to determine who the two or three outliers were, it is reasonable to suspect that the cultural differences and/or language barriers may have contributed to some degree to the difference between the experienced and inexperienced statistical data, thus softening any argument as to differences in ethical perspective between experienced and inexperienced negotiators.

## **2. Questionnaire # 1**

In turning to the remaining questions on Questionnaire # 1, one can look again at the difference in perspective between experienced and inexperienced negotiators. Question 4 looked at the consideration ethical concerns receive in the preparation for a negotiation. It appears that ethical conduct in negotiations is of great concern, especially because of what it means to all parties in terms of "truth in negotiations." The answers from the two groups mirrored each other, but the experienced negotiators invoked the "personal standards" issue as a strong driver in their ethical conduct and in their expectation of a strong ethical standard in others. Aside from that, many negotiators (seven of 19) felt acceptable ethical conduct was a "given," insinuating they did not actively concern themselves with it in preparation for negotiation.

Questions 6 and 7 addressed the dilemma all negotiators must confront in a negotiation, that of honesty and openness. To be honest and open may

certainly lead to a quicker and better deal, but it also leaves one vulnerable because of the information he has made available to his opponent. Both experienced and inexperienced negotiators expressed a strong inclination for openness, especially when couched in terms such as "frank and candid," as in question 6 (mean of 6.900 for both groups). Two experienced negotiators, however, stated they often started in a guarded mode and then became more open as the negotiation progressed. Question 7 addressed essentially the same issue, but it forced the negotiator to compare side-by-side the approaches of "truth and trust" versus "deception and maneuver." With a mean of 3.455, as compared to 1.800 for experienced negotiators, inexperienced negotiators seem to embrace less vehemently the philosophy of openness. They chose the more common approach that reserves for use at least some elements of deception and maneuver in negotiation. Both groups were consistent within their groups in valuing the answer, but the inexperienced negotiators again showed a greater tendency to embrace more aggressive, controversial tactics.

In addressing why a negotiator would choose to "deceive," the responses to question 8 indicate negotiators are almost twice as concerned with maneuvering to strike the best deal or with camouflaging one's position as they are with power or advantage over an opponent. This is somewhat of a break from past research, which had identified power as the principal motivation to deceive an opponent. The answers provided by the negotiators seem to be more goal oriented types of answers, as opposed to the more functional answers of power

or advantage over an opponent. It does indicate that negotiators are more focused on the larger issue of striking a bargain, and less consumed with the trappings of power or tactical advantage. Conversely, an argument could be made that all the answers given deal with power in some form.

Question 10a sought insight as to how different ethics in negotiations might be from the ethics associated with other business relationships. Inexperienced negotiators found negotiation ethics different from other business ethics (mean 5.364), while experienced negotiators found this less to be the case (mean 3.600). The interesting aspect of this is that inexperienced negotiators were inclined, but not to a great extent, to sense a higher demand for ethics in the negotiation process. Experienced negotiators expressed strong feelings that there was no difference in the various business arenas, with only one stating there was a higher demand for ethics in the negotiation arena.

Questions 11a and 11b addressed whether the ethics of the buyer are different from the ethics of the seller. The majority of the negotiators (15 of 20) stated there was no difference. In response as to how they might be different, those inexperienced negotiators who answered "yes" felt sellers were more likely to deceive an opponent, while experienced negotiators felt that buyers were often overly cautious in their approach. Much of how a negotiator answered this question depended on both his perception of an opponent, and whether or not he had, in the past, negotiated from the other side of the table. Sellers appear inclined to view themselves as more ethical because they see themselves as

having to be so in order to stay in business. This may, in fact, explain some of the conservative ratings given on many questions and the "squeaky clean" approach in many answers provided by experienced negotiators

Question 12 addressed another important issue, that of the Code of Ethics. Does it work? Both groups of negotiators responded that it does work (mean: experienced 7.700, inexperienced 8.700), with inexperienced negotiators giving a stronger endorsement as to its value or influence. The mode for experienced negotiators was 10, whereas for inexperienced negotiators it was a tri-modal 8, 9, and 10. Only one negotiator gave a value less than 6 on the scale (his answer was 1), stating that his standards were higher than the company's.

Question 13 also addressed the issue of influence in ethical decision making. The strongest endorsement from both groups went to personal standards. With means of 9.600 and 9.182, respectively, both experienced and inexperienced negotiators cited their personal standards as the greatest influencing factor on ethical issues. Peers were the least influencing factor in both groups, but they still had a moderate amount of influence on inexperienced negotiators (mean 6.273). Peers accounted for much less influence in experienced negotiators (mean 3.300). Both groups, however, had the same relative order of influence for all factors: 1) personal standards; 2) organization policy; 3) boss; 4) peers. This is a break from past research that had bosses and peers as the primary influence. This may represent a backlash on the part of negotiators against the scrutiny that ethics is receiving. Negotiators appear to be saying that they do not need to look externally



for discipline (peers and bosses), but that the discipline is already part of their internal makeup (personal standards).

### **3. Questionnaires # 2, # 3, and # 4**

Questionnaire # 2 addressed issues as they related to the negotiation at hand. Question 8 addressed the preparation and anticipation efforts in negotiation planning. It attempted to evaluate how extensively negotiators prepared for the negotiation, at least in terms of ethics, and to what degree they were able to anticipate any ethical issues. Of the 20 negotiators, only one responded with an ethical issue he anticipated would surface. An experienced negotiator expected the student negotiators (inexperienced) to use delay tactics prior to extending a counter-offer. Under normal circumstances, delay tactics are usually not considered unethical. The fact that only one issue was anticipated does not necessarily mean there was poor preparation on the part of the negotiators. What it may mean is that in preparing for a negotiation, there are a great many complex issues to be addressed, an obvious ethical breach being one of them. But absent that, most negotiators expect professional conduct at the negotiation table and feel perfectly capable of handling any unprofessional conduct if it surfaces.

When queried on Questionnaires # 3 and # 4 as to whether any unethical conduct had surfaced, all twenty negotiators answered "no." The fact that all four negotiations reached an agreement may have contributed greatly to this overwhelmingly positive response. It would be interesting to examine any difference in responses when an impasse had been reached.

The issue of misrepresentation was addressed on both Questionnaire # 2 and Questionnaire # 4. When asked on Questionnaire # 2 (question 17) whether they intended to "misrepresent" any factual information, all negotiators responded "no." Great efforts were made by the researcher to soften the connotation of "misrepresent" when addressing this issue. The intent was to address this as an issue on the fringes of ethicality, but the choice of words presented an obstacle. The fact is that few positions in negotiations are presented as an open book; there is always some camouflaging or "misrepresenting" of a position. But in this case, "misrepresent" may still be too "hard" a word to describe what goes on at the fringes, and no negotiators were willing to sign on to it as a legitimate tactic. This is an important issue, and future research should look for the right word that will entice negotiators to respond openly to this question.

In Questionnaire # 4 (question 9), 19 of 20 respondents answered "no" to the follow-on question concerning misrepresentation of information. The one experienced negotiator who responded "yes" stated he did so by eluding questions from his opponent. This answer only touches the surface of an important issue that merits further research and better understanding.

The completed data presents an interesting insight into differences between experienced and inexperienced negotiators on many ethical issues. This is not a complete list, however, and many questions that were addressed still demand more complete answers.

## **H. SUMMARY**

This chapter has addressed the issue of ethics, looking at both the 18 Lewicki questions and the ethics questions on Questionnaires #1, # 2, # 3, and # 4. The Lewicki questions established four tactics considered ethical by the negotiators, 12 questions considered unethical by the negotiators, and two questions that fall into a gray area. Both experienced and inexperienced negotiators appeared to embrace the philosophy of openness, but inexperienced negotiators did so with less enthusiasm. Both groups of negotiators were more focused on reaching an agreement than on attaining a power or tactical advantage over their opponent.

Both groups of negotiators acknowledged that ethics is a consideration in the planning stage of a negotiation, but they expected professional conduct to prevail. None of the negotiators encountered any unethical behavior during the negotiation. Although ethics is a concern in any negotiation, it appears that all negotiators conducted themselves in an ethical and professional manner. Table II is a statistical recap of the Lewicki questions. Table III is a recap of the remaining statistical questions in the chapter.

**TABLE II.**  
**LEWICKI QUESTIONS - STATISTICAL RECAP**

Question	Experienced						Inexperienced					
	Appropriate			Likely			Appropriate			Likely		
	Mean	St. Dev.	Range	Mean	St. Dev.	Range	Mean	St. Dev.	Range	Mean	St. Dev.	Range
A	1.000	0.000	1-1	1.000	0.000	1-1	1.182	0.803	1-3	1.182	0.405	1-2
B	1.200	0.632	1-3	1.100	0.316	1-2	1.000	0.000	1-1	1.364	0.924	1-4
C	3.000	1.700	1-5	3.100	1.989	1-7	4.182	1.834	2-7	4.182	1.328	2-7
D	6.300	0.949	4-7	6.300	1.059	4-7	5.727	1.421	3-7	6.091	1.136	4-7
E	5.300	1.829	1-7	5.400	2.011	1-7	5.182	1.662	3-7	5.273	1.737	3-7
F	4.200	2.300	1-7	4.100	2.556	1-7	5.818	1.537	3-7	6.000	1.549	3-7
G	1.000	0.000	1-1	1.000	0.000	1-1	1.364	0.674	1-3	1.364	0.809	1-3
H	1.000	0.000	1-1	1.000	0.000	1-1	1.364	0.924	1-4	1.727	1.849	1-7
I	1.000	0.000	1-1	1.000	0.000	1-1	1.545	1.809	1-7	1.818	1.940	1-7
J	2.500	1.434	1-5	2.600	1.713	1-6	3.182	2.040	1-7	3.273	2.149	1-7
K	1.500	1.080	1-4	1.200	0.632	1-3	1.091	0.306	1-2	1.091	0.302	1-2
L	1.000	0.000	1-1	1.000	0.000	1-1	2.091	2.212	1-7	1.636	1.266	1-5
M	4.500	1.900	1-7	4.400	1.955	1-7	4.909	1.758	2-7	4.818	1.834	2-7
N	1.200	0.422	1-2	1.400	0.966	1-4	2.091	2.212	1-7	2.182	2.163	1-7
O	1.000	0.000	1-1	1.200	0.632	1-3	2.273	2.005	1-7	2.545	1.864	1-7
P	2.000	1.563	1-6	2.000	1.500	1-5	2.636	2.111	1-7	2.727	2.149	1-7
Q	1.300	0.483	1-2	1.200	0.632	1-3	2.636	2.014	1-7	2.727	2.005	1-7
R	1.000	0.000	1-1	1.400	1.265	1-5	2.364	2.014	1-7	2.816	2.040	1-7

**TABLE III.  
CHAPTER IV STATISTICAL RECAP**

Questionnaire	Question	Experienced			Inexperienced		
		Mean	St. Dev.	Range	Mean	St. Dev.	Range
Questionnaire # 1							
	Q. 6	6.900	2.132	3-9	6.909	1.514	4-9
	Q. 7	1.800	0.789	1-3	3.455	1.128	2-6
	Q. 10a	3.600	2.503	1-7	5.364	2.694	1-9
	Q. 12	7.700	2.946	1-10	8.700	1.252	6-10
	Q. 13 P	3.300	2.452	1-8	6.273	2.543	2-9
	B	5.400	3.370	1-10	6.909	2.427	2-10
	OP	6.700	3.020	1-10	7.364	2.618	2-10
	PS	9.600	0.843	8-10	9.182	1.471	5-10
Questionnaire # 2							
	N/A						
Questionnaire # 3							
	N/A						
Questionnaire # 4							
	N/A						

## **V. GENERAL QUESTIONS ON NEGOTIATIONS**

### **A. INTRODUCTION**

The purpose of this chapter is to examine an array of general questions developed to provide insight into the negotiation process. Questionnaire # 1 addressed a range of issues from how negotiators view conflict in negotiations to how they do their planning for negotiations. Questionnaires # 2, # 3, and # 4 developed a number of themes throughout the negotiation itself, such as to what extent negotiators had attained their objectives or how well they felt they were able to anticipate their opponent's strengths and weaknesses.

These general questions allowed the research to go beyond the tactics, strategy, and ethics issues and develop other issues that are critical to a discussion of negotiation. What are the issues confronting negotiators in preparing for a negotiation? How much energy is spent examining an opponent's strengths and weaknesses? The examination of both the experienced and inexperienced negotiators' general approach to these and other questions can also lend understanding to many of the issues discussed in previous chapters.

The presentation of data and the analysis in this chapter will carry much of the same format as in previous chapters. The data in Questionnaire # 1 will be presented first, in keeping with the independent environment in which the questions were answered. The data to the general questions in Questionnaires #

2, # 3, and # 4 will then be presented in sequence. The question will first be cited, followed by a brief explanation of the purpose of the question. For those questions requiring an assignment of numerical value, the statistical analysis will then be presented. For those questions requiring a short answer, a sampling of the most common responses will be provided, starting with those most often cited. The statistical analysis, as before, was computed using the Minitab statistical software package and will present the Mean, Standard Deviation, Range, and Mode for the question.

An analysis of the data will be presented in two sections. The first section will be an analysis of the answers to the seven general questions on Questionnaire # 1. These will be analyzed separately because of the independent circumstances under which the answers were given. The second section will be an analysis of the answers to the general questions in Questionnaires # 2, # 3, and # 4, tracking common themes or issues through the negotiation.

## **B. QUESTIONNAIRE # 1**

Of the 24 questions on Questionnaire # 1, seven questions addressed topics of a general nature. These questions addressed issues that normally fell outside the realm of ethics, or tactics and strategy, but were still integral to an understanding of the negotiation process. It is impossible to touch on all aspects of negotiation, so this questionnaire was designed to address only a few issues in an effort to further provide insight into the process.

**QUESTION # 1.** Do you normally view negotiations as:

- a. a necessary evil required to strike a deal
- b. a competitive process to get the best deal
- c. an information exchange process to strike a fair deal
- d. other \_\_\_\_\_

**Purpose:** This question was designed to evaluate the negotiator's general approach to negotiations. Not only might this lend an understanding as to his philosophical approach to negotiations, but it may also give an idea as to the types of strategy he might assume. With option d, sufficient latitude was given negotiators to provide their own answers, but only three experienced negotiators chose to do so. No inexperienced negotiators took advantage of this opportunity. The negotiators were not restricted to one answer. The results were as follows:

<u>Option</u>	<u>Experienced</u>	<u>Inexperienced</u>
a. a necessary evil required to strike a deal	1	2
b. a competitive process to get the best deal	2	3
c. an information exchange process to strike a fair deal	6	8
d. other _____	all of above depending on need, time, and opponent (2); m u t u a l benefit(1)	none



**QUESTION # 2. What are your top three objectives in a negotiation?**

**Purpose:** This question was designed to evaluate what a negotiator sets out to obtain in a negotiation. Are there certain objectives common to all negotiations, or does each negotiation assume its own set of complex objectives, depending on the circumstances? Is it a combination of both? The fact that the question asks for three objectives should result in a general idea as to the direction in which a negotiator might head. Note that a "satisfied customer" was cited only once each by experienced and inexperienced negotiators. The results can be categorized as follows:

<b><u>Experienced</u></b>	<b><u>Inexperienced</u></b>
Good price (6)	Good price (7)
Equitable agreement (4)	Equitable agreement (4)
Build for future business (3)	Build for future business (4)
Good faith bargaining, win-win outcome (3)	Good understanding of the agreement and the product (3)
Satisfied customer (1)	Good faith bargaining (3)
	Satisfied customer (1)

**QUESTION # 15. To what extent do you view conflict as a necessary, natural, and productive part of the negotiation process? scaled 1 to 10**

**Purpose:** This question was designed to evaluate how a negotiator viewed conflict in negotiation. Some of the negotiation literature hints that conflict is a

destructive part of the process, while other literature sees conflict as a means to define the issues and make compromises. This question may also establish whether a negotiator might use conflict to his advantage during the course of a negotiation. Only two negotiators assigned a value of 2 or less, and both were experienced negotiators. A 1 meant conflict played no necessary, natural, and productive role, while a 10 meant conflict played such a role in negotiations.

Experienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.800	3.011	1 to 10	3

Inexperienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.545	2.464	3 to 10	9

**QUESTION # 19.** Which capabilities do you view as essential to a good negotiator? Rank in order of priority.

- a. clear and rapid thinker \_\_\_\_\_
- b. communication skills \_\_\_\_\_
- c. analytical ability \_\_\_\_\_
- d. poker face \_\_\_\_\_
- e. patience \_\_\_\_\_
- f. objectivity \_\_\_\_\_
- g. diplomatic skills \_\_\_\_\_
- h. sense of humor \_\_\_\_\_
- i. good listener \_\_\_\_\_
- j. other \_\_\_\_\_

**Purpose:** This question was designed to identify those skills a negotiator felt were most valuable around the negotiating table. Though not an exhaustive list, the

capabilities provided could be useful in assessing a negotiator's potential or identifying areas that need work. The values were averaged and then ranked, lowest value being the most essential. The average is provided along with the relative order of importance. No negotiator took advantage of option "j" to offer his own thoughts. The results were as follows:

	<u>Experienced</u>	<u>Inexperienced</u>
a. clear and rapid thinker	3.5 (2)*	2.3 (1)
b. communication skills	2.6 (1)	2.8 (2)
c. analytical skills	4.8 (6)	5.2 (6)
d. poker face	8.8 (9)	8.0 (9)
e. patience	5.1 (7)	3.7 (4)
f. objectivity	4.5 (4)*	4.7 (5)
g. diplomatic skills	4.5 (5)*	5.4 (7)
h. sense of humor	7.1 (8)	7.9 (8)
i. good listener	3.5 (3)*	3.3 (3)
j. other _____		

\* denotes a tie

QUESTION # 20a. In negotiation planning, how likely are you to actively develop several different options or alternatives? scaled 1 to 10

Purpose: This question was designed to evaluate the type of planning a negotiator might undertake in preparation for a negotiation, to include the consideration and analysis of various options that might be a suitable solution. The degree to which a negotiator is able to develop options and alternatives may also infer a certain level of understanding. Only one experienced negotiator and one

inexperienced negotiator cited a value less than 7. A 1 represented an unlikely chance, while a 10 represented a very likely chance.

Experienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
8.400	1.713	5 to 10	10

Inexperienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.727	1.555	4 to 10	8

QUESTION # 20b. How likely are you to attempt to anticipate the options and alternatives your opponent may develop? scaled 1 to 10

Purpose: This question was designed to again evaluate the type of planning undertaken by a negotiator, but this time as it relates to an opponent. The degree to which a negotiator can anticipate and articulate an opponent's *position may also* imply his level of understanding or insight into that position. Also, the better the understanding, the better a negotiator may be able to counter an argument. Any effort in this vein, regardless of the degree of success, may be well worth the time. Responses provided by experienced and inexperienced negotiators were virtually identical. A 1 represented an unlikely event and a 10 represented a very likely event.

Experienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
8.000	2.357	3 to 10	9, 10

Inexperienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
8.000	2.408	3 to 10	9, 10

QUESTION # 22. In your research and preparation for negotiation, do you focus most of your efforts around areas of conflict or areas of common ground? Why? scaled 1 to 10

Purpose: This question was designed to address the conflict issue and to stand it in direct comparison to the emphasis placed on issues on which there is agreement. Does either the experienced or inexperienced negotiator see any advantage to developing the areas of common ground? Only five of 11 inexperienced negotiators answered the "Why" portion of the question. This is assumed to be an oversight. A value of 1 represented a strong focus on issues of conflict, and a 10 represented a strong focus on issues of common ground.

Experienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
4.200	2.573	2 to 10	2, 3

Inexperienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
3.273	1.679	1 to 6	3

Why?

Experienced

Most time is spent on  
areas of conflict (4)

Compromises are carved  
from disagreements (3)

Conflicts are the big issues  
(3)

Use common ground to  
stress how close to a  
solution you are(2)

Inexperienced

Most time is spent on  
areas of conflict (3)

Compromises are carved  
from disagreements (2)

QUESTION # 24. Are negotiation planning and tactics likely to be different  
for a "one time" business deal as opposed to a "long term" business deal? Yes or  
No. What do you do differently?

Purpose: This question was designed to evaluate the difference in approach  
between a long term and short term deal. Does the negotiator approach each  
negotiation in a consistent fashion, or are there certain aspects of a long term and  
a short term relationship that cause him to alter his approach? It may also provide  
insight as to what tact a negotiator might take to turn a short term deal into a long  
term deal. The results were as follows:

Experienced

Yes 5

No 5

Inexperienced

Yes 2

No 9

Question 24. (cont)

Experienced

Why? Spend more time researching organization and people on long term deal (2)

More likely to make compromises in long term deal for benefit of relationship (2)

One time deal more competitive (1)

Inexperienced

Why? Long term deal requires a better relationship (5)

Short term deals are more competitive and relationship is less a consideration (4)

**C. QUESTIONNAIRE # 2**

Questionnaire # 2 was completed immediately prior to the negotiation. Of the 18 questions on the questionnaire, seven were of a general nature. These questions ranged from specific objectives the negotiators seek to perceived strengths and weaknesses of both their own and an opponent's position. Many of these questions laid a foundation to track developing themes such as objectives, strengths, and weaknesses through the negotiation.

QUESTION # 1. What are your top three objectives in this negotiation?

Purpose: This question was designed to not only identify the principal objectives in this particular negotiation, but also to evaluate the types of objectives sought and how well they were articulated. The degree of clarity with which the negotiator cites his objectives is another point of interest. These positions should also provide some idea as to the extent of preparation undertaken for this

negotiation. In general, the answers provided by the inexperienced negotiators were more detailed than those of the experienced negotiators. The responses can be broken down into the following groups:

<u>Experienced</u>	<u>Inexperienced</u>
Equitable agreement (7)	Equitable agreement (4)
Improve relationship (4)	Get the type of contract desired (4)
Understand customer requirements (4)	Reduce contract price (4)
Obtain desired profit, price (4)	Progress payments and schedule (3)

**QUESTION # 2.** How much time did you spend in preparation for this negotiation? (For industry negotiators, please state the amount of time you would have spent in preparation were this a real negotiation)

**Purpose:** This question was designed to identify the amount of preparation time demanded for this negotiation. The experienced negotiators spent, for the most part, far in excess of 14 hours of preparation, while inexperienced negotiators seemed to get by with much less effort. The results were as follows:

	<u>Experienced</u>	<u>Inexperienced</u>
1 - 5 hours	4	0
6 - 10 hours	2	0
10 - 13 hours	1	3
14 +	2	8



**QUESTION # 3.** How do you view the strength of your position in this negotiation?

1. Strong
2. Moderate
3. Weak

**Purpose:** This question was designed to ascertain how negotiators viewed their own position, keeping in mind that the inherent flaw in a question of this type is that one's view of his own position may not reflect reality. It does, however, provide a vehicle to evaluate how positions change and why. No negotiator viewed his position as weak. The results were as follows:

	<u>Experienced</u>	<u>Inexperienced</u>
1. Strong	4	6
2. Moderate	4	5
3. Weak	0	0

**QUESTION # 4.** What three things contribute to the strength of your position?

**Purpose:** After pin-pointing how a negotiator viewed the strength of his position, this question forced him to articulate the composition of his strength. How well he articulates his position may lend insight into the amount of preparation undertaken for the negotiation or depth of insight into his own position. One inexperienced negotiator failed to answer this question. The results fell into the following categories:

<u>Experienced</u>	<u>Inexperienced</u>
Proposal used actual or competitive rates (6)	Strong preparation (5)
Prior history producing product (5)	Proposal can be attacked on many fronts/weak proposal (5)
Technical advantage (3)	DCAA audit (2)
Strong proposal (3)	Poor estimating system (2)
Inexperienced Government team (2)	Location of negotiation (2)

**QUESTION # 5.** What three things contribute to the weakness of your position?

**Purpose:** This question was designed to force the negotiator to look at his position from a standpoint of weakness. A prudent negotiator assesses not only his strengths, but also his weaknesses. How well he articulates his position may lend insight into his depth of understanding of the issues and obstacles he may encounter. The results were as follows:

<u>Experienced</u>	<u>Inexperienced</u>
DCAA's position on rates has merit (4)	Inexperience (5)
Seller's knowledge of product is low (3)	Poor DCAA audit (3)
	Seller is sole source (2)

Question 5. (cont)

<u>Experienced</u>	<u>Inexperienced</u>
Lack of preparation (3)	Knowledge of seller is greater than buyer (2)
Separated from support elements/venue (3)	Buyer does not know the company (3)

QUESTION # 6a. What do you perceive to be the strengths of your opponent's position?

Purpose: This question was designed to assess strength from an opponent's point of view. It also served as a baseline for comparison as the negotiation proceeded. The answers were categorized as follows:

<u>Experienced</u>	<u>Inexperienced</u>
Government "holds the Gold" (4)	Seller's knowledge of product and process (5)
Thorough preparation (4)	Technical expertise (4)
Availability of audit reports (3)	Sole source contract (3)
Several members on negotiating team (2)	Our own lack of experience (2)
	Seller negotiated similar contracts in past (2)

QUESTION # 6b. What do you perceive to be the weaknesses of your opponent's position?

Purpose: This question was designed to view weakness from an opponent's point of view. Not only did this provide a view from a different angle, but was used as a baseline for comparison as the negotiation proceeded. The answers were categorized as follows:

<u>Experienced</u>	<u>Inexperienced</u>
Unfamiliar with the product and the process (5)	Vulnerable proposal-unsubstantiated costs and poor estimating system (7)
Inexperience of Government negotiators (3)	Strength of our audit system (3)
Own practical experience in negotiation (2)	Underestimating buyer (2)
Lack of technical expertise (2)	Negotiation taking place on our turf (2)

QUESTION # 7. Have you identified in writing the positions or arguments you expect your opponent to present? Yes or no.

Purpose: This question was designed to evaluate the extent of preparation undertaken for this negotiation. The emphasis on "in writing" was an attempt to distinguish between those who might do this in an informal fashion and those who undertake this effort in a more painstaking, deliberate fashion. The results were as follows:

<u>Experienced</u>	<u>Inexperienced</u>
Yes 2	Yes 6
No 7	No 5

#### **D. QUESTIONNAIRE # 3**

Questionnaire # 3 was completed at a selected caucus called by the negotiators after hard bargaining and relevant issues had been discussed. Because it was critical to keep the questioning process brief and simple, the general issues could only be addressed at a surface level. It did, however, serve as a quick check on how the negotiation session was progressing. For these general questions to be answered, enough discussion had to have taken place for negotiators to observe opponents' strengths and weaknesses and to develop a feel for the stability of their own objectives. Of the nine questions in Questionnaire # 3, six addressed issues of a general nature.

QUESTION # 1a. To what extent do you believe you are achieving your objectives? scaled 1 to 10

Purpose. This question was designed to evaluate the status of the overall game plan. Though the question was asked in terms of objectives, it drives more at the overall status of the negotiation, itself, and uses objectives as the barometer. A value of 1 meant objectives were not being achieved, and a value of 10 meant objectives were being achieved to a great extent. The results were as follows:

##### Experienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.222	1.716	2 to 8	7

##### Inexperienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.364	1.206	4 to 8	7

**QUESTION # 1b.** Have you modified any of your top 3 objectives? Yes or no.

If yes, why?

**Purpose:** This question was designed to identify any modification to the objectives that might have taken place and why. Though this question does not address to what extent the objectives were changed, it indicates some movement by negotiators in response to a change in the situation. Two of the negotiators who answered "yes" provided no substantiation. The results were as follows:

<u>Experienced</u>		<u>Inexperienced</u>	
Yes	5	Yes	6
No	4	No	5
Why? Part of compromise (2)		Why? Part of compromise (3)	
Could not support objective (2)		Opponent will not move off his position (2)	

**QUESTION # 4.** Do you think you will reach an agreement or impasse?

Agreement

Impasse

**Purpose:** This question was designed merely to gauge how negotiators viewed the progress of the negotiation. A negotiator who views the process as breaking down may alter his game plan to get it back on course. One inexperienced negotiator was not sure and marked his questionnaire accordingly.

The results were as follows:

	<u>Experienced</u>	<u>Inexperienced</u>
Agreement	7	8
Impasse	2	2

**QUESTION # 5.** Have you been able to identify your opponent's strengths and weaknesses?

Strengths Yes or No Weaknesses  
Yes or No

**Purpose:** This question was designed to evaluate the degree to which negotiators had been able to identify their opponents' strengths and weaknesses. Both experienced and inexperienced negotiators felt themselves able to identify opponents' strength and weaknesses. The results were as follows:

	<u>Experienced</u>	
	<u>Yes</u>	<u>No</u>
Strengths?	9	0
Weaknesses?	7	2

	<u>Inexperienced</u>	
	<u>Yes</u>	<u>No</u>
Strengths?	10	1
Weaknesses?	11	0

**QUESTION # 6.** Were your perceptions as to your opponent's strengths accurate? scaled 1 to 10

Purpose: This question was designed to evaluate the accuracy of negotiators' perceptions as to opponents' strength. Though this is still a "perception" type question, enough negotiating should have taken place to allow some degree of accuracy. Two experienced negotiators and one inexperienced negotiator failed to answer the question (oversight). A value of 1 represented complete inaccuracy, while a value of 10 represented complete accuracy. The results were as follows:

Experienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.571	1.512	4 to 8	7

Inexperienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.909	1.578	4 to 9	6,7,8 9

QUESTION # 7. Were your perceptions as to your opponent's weaknesses accurate? scaled 1 to 10

Purpose: This question was designed also to evaluate the accuracy of perception, but this time in an opponent's weakness. It has the same inherent flaw as the previous question, but should reflect an acceptable degree of accuracy because of the amount of negotiation that had taken place prior to answering this question. Two experienced negotiators failed to answer this question (oversight). A value of 1 represented complete inaccuracy, while a value of 10 represented complete accuracy. The results were as follows:



Experienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.286	1.976	4 to 9	5

Inexperienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.000	1.215	5 to 9	7

QUESTION # 8. How are your arguments holding up under fire? scaled 1 to 10

Purpose: This question was designed to evaluate how the negotiators' overall game plan was holding up. It focuses on the amount of research and preparation they undertook and the amount of insight into an opponent's position they carried to the negotiating table. Two experienced negotiators failed to answer this question (oversight). A value of 1 represented arguments that are not holding up at all, and a value of 10 represented arguments that are holding up very well. The results were as follows:

Experienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
5.857	1.215	4 to 7	7

Inexperienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.273	1.555	4 to 9	8

#### **E. QUESTIONNAIRE # 4**

Questionnaire # 4 was the final questionnaire and was completed after negotiations had been concluded and debrief conducted. Of the 13 questions on this questionnaire, eight were of a general nature. These questions were designed to be a "reality check" of the issues that were tracked through the negotiation process. They examined both how a negotiator viewed his performance and how he viewed the performance of his opponent. The fact that all negotiators reached agreement almost certainly influenced the responses. Had the negotiations reached an impasse, the answers may have been different. Although the impasse was beyond the scope of this research, it is an important area of study for future research efforts.

QUESTION # 1. To what extent did you achieve your top 3 objectives?  
scaled 1 to 10

Purpose: This question was the follow-up to previous "objective" type questions. By this time, the negotiators knew how well their positions had held up, and could offer a better assessment of how they had fared. A value of 1 meant the objectives were not at all achieved, and a 10 meant the objectives were greatly achieved. The results were as follows:

<u>Experienced</u>			
<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.556	1.667	5 to 10	6,8,9

Inexperienced

<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.455	1.508	5 to 9	9

QUESTION # 4. Did you reach an agreement? Yes or No. If "Yes", was that agreement within the negotiating range you had established prior to the negotiation? Yes or No

Purpose: This question was designed to identify if an agreement had been reached, and to further evaluate how well the negotiator's position survived in the negotiation. This was intended to be a gauge as to how well each negotiator had planned and assessed the situation. Two inexperienced negotiators failed to answer the second part of the question. The results were as follows:

<u>Experienced</u>		<u>Inexperienced</u>	
Reach agreement:		Reach agreement:	
Yes	9	Yes	11
No	0	No	0
Within range:		Within range:	
Yes	6	Yes	7
No	3	No	2
		failed to answer: 2	

**QUESTION # 5.** How well do you think you were able to anticipate your opponent's position? scaled 1 to 10

**Purpose.** This question was designed to evaluate how well the negotiator was able to anticipate his opponent's position. This is believed to have a connection to the amount of preparation and planning the negotiator may have undertaken, and to the quality of that preparation and planning. A value of 1 meant the negotiator was not at all able to anticipate his opponent's position, and a value of 10 meant the negotiator was quite able to anticipate his opponent's position. The results are as follows:

<u>Experienced</u>			
<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
6.222	1.394	4 to 8	5,7,8
<u>Inexperienced</u>			
<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
7.000	1.342	5 to 9	7

**QUESTION # 8.** How did you resolve any areas of conflict?

**Purpose:** This question was designed to identify and evaluate any efforts undertaken to resolve conflict. How conflict is resolved can not only lend insight into the negotiator's degree of expertise, but also to his philosophical approach to the process. Two inexperienced negotiators failed to answer this question.

<u>Experienced</u>	<u>Inexperienced</u>
Compromise (3)	Compromise (4)
Discussion (3)	Agree to disagree and go to bottom line (3)
Use of blackboard as visual argument (1)	Discuss the details and split the difference (2)
Went to bottom line (1)	
Drop it and return later (1)	

QUESTION # 10. How effective do you think your opponent was at presenting his/her position? scaled 1 to 10

Purpose: This question was designed to get an opponent's perspective or critique on the negotiator's performance. It included both the quality of the argument and the delivery of the argument. A value of 1 characterized an opponent who was not effective at presenting a position, and a 10 represented an opponent who was very effective at presenting his position. One experienced negotiator failed to answer the question. All values assigned by experienced negotiators were 8 or above. The results were as follows:

<u>Experienced</u>			
<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
8.875	0.641	8 to 10	9
<u>Inexperienced</u>			
<u>Mean</u>	<u>Standard Deviation</u>	<u>Range</u>	<u>Mode</u>
8.091	0.944	7 to 9	9

**QUESTION # 11.** What do you think was your opponent's greatest weakness as a negotiator?

**Purpose.** This question was designed to identify and evaluate personal traits, tendencies, or capabilities as negotiators that others see as weaknesses. The inexperienced negotiators saw lack of preparation as the experienced negotiators' greatest weakness. The responses fall into the following general categories:

<u>Experienced</u>	<u>Inexperienced</u>
None (4)	Poorly prepared (6)
Focused on low cost too much (2)	Poor team communication (2)
Too firm at bottom line (2)	None (2)

**QUESTION # 12.** What do you think was your opponent's greatest strength as a negotiator.

**Purpose:** This question was designed to identify and evaluate personal traits, tendencies, or capabilities as a negotiator that others saw as a strength. One experienced negotiator failed to answer the question. The results were as follows:

<u>Experienced</u>	<u>Inexperienced</u>
Preparation (6)	Knowledge (4)
Team control and coordination (2)	Open minded (3)
	Calm presentation (3)
	Use of experience (2)

**QUESTION # 13.** In terms of attributes or traits, how would you describe your opponent? (cite 2)

**Purpose:** This question was designed to elicit a general impression of an opponent, a "gut reaction" type of response that may not have been drawn out in other questions. The following is a sampling of the responses:

<b><u>Experienced</u></b>	<b><u>Inexperienced</u></b>
Firm, factual	Competent, calm
Organized, open minded	Skilled, fair
Determined	Reasonable, patient
Patient, professional	Professional, knowledgeable

## **F. ANALYSIS**

The analysis will principally focus on, but not be restricted to, how well negotiators attained their objectives, how they viewed conflict in negotiations, and how they viewed both their own and their opponents' strengths and weaknesses. As stated earlier, this analysis will be divided into 2 sections. The first section will be an analysis of the data from the general questions in Questionnaire # 1. These responses are analyzed separately because of the independent circumstances under which they were received. The second section will be an analysis of the general questions in Questionnaires # 2, # 3, and # 4. The analysis of the second

section is oriented toward the development of common themes that surfaced as the negotiation progressed.

### **1. Questionnaire # 1**

The data from the seven general questions on Questionnaire # 1 provided valuable insight into the negotiators' overall approach to negotiations. Question 1 had both experienced and inexperienced negotiators taking a strong positive position as to their view of negotiations. Of the 20 negotiators questioned, 14 felt the process to be an exchange of information in order to strike a better bargain. Only three felt it to be a necessary evil, while five leaned toward the competitive process philosophy. Although this implies an acceptance of the competitive aspects of negotiation, it also hints that negotiators may steer clear of the often stifling aspects of competitive negotiation and pursue more the path of cooperation and mutual support. As for the top three objectives asked for in Question 2, the negotiators expressed a decided preference for a good price and an equitable agreement. In fact, the top three objectives for experienced and inexperienced negotiators closely mirrored each other, with "building for future business" as the number three objective. Both groups felt more of a concern, however, for improved relations and understanding than they did for producing a satisfied customer. There appeared to be a decided lack of concern for the latter, as only one negotiator from each group offered a "satisfied customer" as one of the top objectives.



The presence of conflict in negotiations presents an interesting dilemma for negotiators. Few negotiators, or anyone else for that matter, relish the thought of conflict and confrontation. It is, however, virtually a part of all negotiations. With a mean of 4.800, experienced negotiators expressed a moderately negative opinion toward conflict as an integral part of the negotiation process (question 15, Questionnaire # 1). Comparatively, inexperienced negotiators produced a more positive reaction to conflict, with a mean of 7.545. Two reasons may explain this. First, the bulk of the inexperienced negotiators were military officers who live in an arena in which conflict is a way of life. They, for the most part, understand and come to grips with it. Second, as Government negotiators, they are trained to question and challenge assumptions, data, and interpretations in proposals. This is a decidedly conflict-oriented approach to business. Therefore, to the inexperienced negotiators, conflict may serve to isolate and clarify issues when no other course of action will.

Question 22 again addressed again the issue of conflict, but in such a fashion as to make a comparison between the emphasis on areas of conflict and areas of agreement. Both experienced and inexperienced negotiators focused more of their attention on areas of conflict, rather than common ground, in preparing for negotiations. Inexperienced negotiators had a stronger tendency to do this, however (mean of 3.273 versus 4.200). It is not at all unusual for negotiators to focus their efforts in this manner, for negotiations and compromises are born of conflict. The experienced negotiators, however, seemed to have a

greater appreciation (though not as great as prior research has indicated) of common ground as a means to build a climate of agreement or as a tool of persuasion than did the inexperienced negotiators. Experienced negotiators, in general, tended to take a more cautious, less virulent approach on many issues.

Question 19 was an attempt to characterize the capabilities of a good negotiator. The flaws in taking this approach are obvious, but results are often worthy of note, for they point to capabilities that negotiators can often improve and master. Precise communicating, clear thinking, and good listening are all valuable and improvable skills and were ranked very high. A good sense of humor, however, seemed not to carry much weight. The results provided by both groups were very similar in ranking.

Planning of options or alternatives in negotiations is critical to the successful negotiator (Question 20a). The skilled negotiator should be concerned with the whole spectrum of possibilities, considering both those alternatives he may present and those that may be presented to him. Both experienced (mean 8.400) and inexperienced (mean 7.727) negotiators appear to embrace this idea. Experienced negotiators, however, appear to embrace it with slightly more zeal, an enthusiasm probably born from practical experience. Additionally, experienced and inexperienced negotiators, alike, actively anticipate the options and alternatives that their opponents may develop (Question 20b), with both groups having a mean of 8.000. Negotiators have at least acknowledged the merit of an in-depth understanding of positions, options, and alternatives.

Experienced negotiators took a more practical position with respect to the "one time" versus "long term" business deal than did inexperienced negotiators (Question 24). Five of 10 experienced negotiators stated preparation for the two was different, while nine of 11 inexperienced negotiators stated it was not. Past research has found that most negotiators take a short term view of most business relationships. The experienced negotiators simply expressed a better understanding of time and resource constraints. Stating they spend more time researching the people and the organization in a long term deal and are more likely to compromise for the benefit of the relationship in a long term deal, the experienced negotiators expressed an understanding of the value of the "relationship" in the long term deal. This translates into effort and understanding, two key factors in any long term relationship. Inexperienced negotiators, too, seemed to understand the value of a good relationship to a long term deal, but by stating there is no difference in the planning for the long and the short term deal, they seemed less aware of the effort (in time and money) required to establish and foster that good relationship. Both experienced and inexperienced negotiators viewed the short term relationship as more competitive. To a large degree, it is merely a question of where one chooses, or can afford, to expend the energy and resources in a negotiation. Time is money, and the experienced negotiators seem to truly appreciate the need, or lack thereof, of a relationship in negotiations. Unfortunately, the other side of this issue is that many short term relationships could turn into long term relationships with the proper effort.

## **2. Questionnaires # 2, # 3, and # 4**

Questionnaire # 2 addressed general questions relating to the negotiation at hand. Question 1 established the top three objectives for the specific negotiation. An "equitable agreement" was the principal objective of both groups of negotiators, with "improved relationship" coming next for experienced negotiators and "right type of contract/reduced contract price" as top objectives for inexperienced negotiators. Inexperienced negotiators were more specific in their objectives, citing such objectives as type of contract, progress payments, or schedule, while experienced negotiators cited more generic objectives such as improved relationships and an understanding of customer needs. This difference in specificity may be directly related to the amount of preparation undertaken by each group. With that in mind, Question 2 notes a marked difference in preparation between the two groups, with all 11 inexperienced negotiators spending greater than 10 hours in preparation and only three of nine experienced negotiators spending the same amount of time. The experienced negotiators did not spend a great deal of time in preparation for this effort. This may be due to the simulated nature of the negotiation. Industry negotiators appeared to have neither the time nor the resources to apply to this negotiation in the same manner that they would have had under normal preparation circumstances. Because of this, inexperienced negotiators were more familiar with the issues and were consequently more specific.

When the issue of objectives was pursued in Questionnaire # 3, both experienced and inexperienced negotiators appeared satisfied that they were achieving their objectives (Question 1a, mean 6.222 and 6.364, respectively). Of the 20 negotiators, only one experienced negotiator expressed dissatisfaction with the extent to which his objectives were being met. Question 1b brought out the fact that changes to objectives had already occurred, but these changes came principally as a result of a move toward compromise. This appears to be in keeping with the negotiators' general tendency toward cooperation. Question 1 on Questionnaire # 4 elicited a final response from negotiators as to their objectives. Both experienced and inexperienced negotiators expressed strong satisfaction with the degree to which they met their final objectives, with means of 7.556 and 7.455, respectively.

It is apparent from the responses that objectives are set and that they do change. They seem to change primarily in order to move toward acceptable compromise. In this research, all negotiating parties reached an agreement, and both experienced and inexperienced negotiators expressed satisfaction with the outcomes. Therefore, it would appear that the negotiation process has worked, at least in so far as negotiators were willing to move off their positions in order to reach an agreement. Even at the caucuses, the parties appeared confident that an agreement would be reached. In answering Question 4 of Questionnaire # 3, 15 of 19 negotiators expressed positive sentiments toward reaching an agreement. Finally, in responding to Question 4 of Questionnaire # 4, 13 of 18 negotiators

stated their agreements were within the ranges originally established as a final objective. This is an indication that quality preparation and effort directly impact the final outcome and that the overall philosophy of cooperation prevailed, even to the extent that some negotiators went outside their feasibility ranges to reach an agreement.

How negotiators viewed their own position and their opponents' positions in terms of strengths and weaknesses provides valuable insight into the negotiation process. First, all negotiators felt they had either a moderate or strong position, with both groups roughly evenly divided between the two positions (question 3, Questionnaire # 2). Experienced negotiators cited their use of actual or competitive rates in their proposal, their prior history producing the product, and their technical knowledge as the mainstays of their position. Inexperienced negotiators listed their strong preparation, knowledge of their opponent's proposal and its vulnerabilities, and a competent DCAA audit as the heart of their strong position.

The responses from both groups make sense. In fact, if one were to compare industry versus Government negotiators (seller vs buyer), as opposed to experienced versus inexperienced negotiators, these responses make even more sense. The strengths listed by both groups are the classic strengths each side seeks and then attempts to use to its advantage in a negotiation. The use of "actuals" in a seller's proposal often constitutes an irrefutable position, while strong preparation and a good working knowledge of a seller's proposal are the high

ground normally sought by Government negotiators. Considering the elements they see as constituting the foundation of their position, it is quite understandable that each group views its position as either strong or moderate.

A closer examination of the strength and weakness issues reveals interesting similarities in how experienced and inexperienced negotiators view both themselves and their opponents. For experienced negotiators, comparing the strengths of their own position (question 4, Questionnaire # 2) against the weaknesses of their opponent's position (question 6b, Questionnaire # 2) produces almost a mirror image. For instance, they cite their own prior history producing the product as a strength, and the opponent's lack of familiarity with the product and the process as the opponent's weakness. Their own grasp of technical issues is a strength, while the opponent's lack of technical knowledge is a weakness. Finally, their own experience in negotiations contributes to their strength, and the inexperience on their opponent's part is a weakness.

The same type of mirroring is evident when comparing the experienced negotiator's weaknesses (question 5, Questionnaire # 2) against the inexperienced negotiator's strengths (question 6a, Questionnaire # 2). The experienced negotiator saw his primary weakness as DCAA's position in audit reports, and one of his opponent's principal strengths as the availability and use of these audit reports. In the same vein, a primary weakness in the experienced negotiator's position was his lack of preparation, while a primary strength of his opponent's position was his strong preparation.

This same comparison can be made from the inexperienced negotiator's standpoint. When comparing his strengths (question 4, Questionnaire # 2) against an opponent's weaknesses (question 6b, Questionnaire # 2), the inexperienced negotiator cites his strong preparation, the DCAA audit, and negotiation venue (Government site) as his strong points, and the opponent's tendency to underestimate him, the vulnerability of an opponent's proposal to audits, and negotiation venue (Government site) as the opponent's weaknesses.

Shifting to the weakness issue, the inexperienced negotiator sees his own weaknesses (question 5, Questionnaire # 2) in terms of his own inexperience and the seller's knowledge of the product and process, while viewing his opponent's strengths (question 6a, Questionnaire # 2) as his knowledge of the product and process and strong experience background.

*This suggests a strong correlation between how a negotiator views his own strengths and weaknesses and how he views his opponent's strengths and weaknesses. The experienced negotiator's strengths are reflected in his opponent's weaknesses, and his weaknesses are reflected in his opponent's strengths. The same can be said of the inexperienced negotiator. This way of thinking has its advantages and disadvantages. As an advantage, it offers both groups of negotiators a framework within which to evaluate their opponent's position, or even an attack point in their opponent's position. As a disadvantage, this type of thinking can lead to predictable behavior, or even too narrow and focused a viewpoint when evaluating an opponent's strengths and weaknesses.*



Quite often, the good negotiator is the one who looks for the unexpected in his opponent's position or behavior.

Both experienced and inexperienced negotiators expressed strong confidence in their ability to identify their opponent's strengths and weaknesses (Question 5, Questionnaire # 3). Questions 6 (strength) and 7 (weakness) asked for an assessment as to the accuracy of their observation in question 5. The mean responses were consistent, with a mean range for both experienced and inexperienced negotiators of 6.286 to 7.000. Not only had they been able to identify their opponent's strengths and weaknesses during the course of the negotiation, but they felt their assessments had been relatively accurate. To the extent of their insight into their opponent's position, this may be true. However, how much did they not see, or how much did they miss as a result of the "mirror-like" thinking discussed earlier? In fact, when asked at the end of the negotiation to identify their opponent's greatest weakness, not one experienced or inexperienced negotiator mentioned a previously cited weakness (question 11, Questionnaire # 4). Both sides were, however, more successful on the issue of strength, citing answers (preparation and knowledge) that they had cited in previous questions. This lends credence to the warning that negotiators should be careful when it comes to "perceptions."

Question 7 on Questionnaire # 2 addressed the preparation issue again, asking if negotiators had identified in writing positions and arguments they expected an opponent to present. Only eight of 20 responded positively.

Inexperienced negotiators were evenly split on this issue, but only two of the nine experienced negotiators stated they prepared anything in writing. This does not, however, appear to have impacted adversely on their ability to anticipate their opponent's position, or at least their perception as to how well they anticipated their opponent's position. In Question 5 on Questionnaire # 4, both groups of negotiators appear satisfied with their ability to predict their opponents' position (experienced mean: 6.222; inexperienced mean 7.000). This would lead one to conclude that the anticipation of an opponent's positions and arguments is important, but not of such paramount importance as to merit it being put to writing.

On Questionnaire # 3, Question 8 asked the negotiators to provide an indication of how well they felt their arguments were holding up. With a mean of 5.857, experienced negotiators were decidedly more cautious than inexperienced negotiators on the issue (mean 7.273). This cautious optimism was reflected in Question 8 of Questionnaire # 4 when negotiators acknowledged conflict as an obstacle, but not one that could not be overcome by compromise, discussion, or just moving to the bottom line. From a different angle, negotiators, in Question 10, evaluated how their opponents presented their positions. Both experienced and inexperienced negotiators seemed duly impressed with the others' presentation, with means of 8.875 and 8.091, respectively. These positive feelings may stem from the fact that progress continued to be made toward a settlement, each side having previously expressed confidence in reaching an agreement (Question 4, Questionnaire # 3). At this stage, it appears that the negotiation was on track. It

may be of interest to view how negotiators would have responded to these questions had they felt they were headed for an impasse.

Finally, Question 13 of Questionnaire # 4 asks for a general description of the opponent. The descriptions ranged from firm and factual to reasonable and patient. When compared with Question 19 of Questionnaire # 1, "patience" is the only characterization that is common to both questions. Negotiators seemed not to establish much linkage between what they felt prior to the negotiation to be important traits and what they saw at the end of the negotiation in their opponents. In fact, "patience" was ranked only seventh by experienced negotiators and fourth by inexperienced negotiators in terms of most desirable traits. The intent of the question was not necessarily to seek responses in the same terms as cited in Question 19; however, the responses received to this question still seem rather disjointed and shallow. Upon closer examination, this question is considered to be of questionable value, contributing little to the overall understanding of the process. This question should be deleted from future questionnaires.

#### **G. SUMMARY**

In summary, several issues of a general nature have been addressed in the four questionnaires. Questionnaire # 1 identified several objectives that appear to be common to both experienced and inexperienced negotiators, while also establishing an inclination on the part of both toward a cooperative relationship in reaching an agreement. Conflict was still a part of the process, however, with

inexperienced negotiators viewing it as a positive contributor in that it served to isolate and define many issues. Both groups of negotiators expressed strong support for the value of proper planning and preparation for a negotiation.

Questionnaires # 2, # 3, and # 4 established the inexperienced negotiators to be better prepared for the negotiations, in some part due to the simulated nature of the negotiation and the limited time and resources experienced negotiators could devote to it. Both groups of negotiators expressed satisfaction at the extent to which they achieved their objectives and confidence in their ability to anticipate their opponents' strengths and weaknesses. The whole idea of how negotiators "perceive" their positions, strengths and weaknesses may be an area for further study. Table IV is a recap of the statistical questions in this chapter.

**TABLE IV.  
CHAPTER V STATISTICAL RECAP**

Questionnaire	Question	Experienced			Inexperienced		
		Mean	St. Dev.	Range	Mean	St. Dev.	Range
Questionnaire # 1							
	Q. 15	4.800	3.011	1-10	7.545	2.464	3-10
	Q. 20a	8.400	1.713	5-10	7.727	1.555	4-10
	Q. 20b	8.000	2.357	3-10	8.000	2.408	3-10
	Q. 22	4.200	2.573	2-10	3.273	1.679	1-6
Questionnaire # 2							
	N/A						
Questionnaire # 3							
	Q. 1a	6.222	1.716	2-8	6.364	1.206	4-8
	Q. 6	6.571	1.512	4-8	6.909	1.578	4-9
	Q. 7	6.286	1.976	4-9	7.000	1.215	5-9
	Q. 8	5.857	1.215	4-7	7.273	1.555	4-9
Questionnaire # 4							
	Q. 1	7.556	1.667	5-10	7.455	1.508	5-9
	Q. 5	6.222	1.394	4-8	7.000	1.342	5-9
	Q. 10	8.875	0.641	8-10	8.091	0.944	7-9

## **VI. CONCLUSIONS AND RECOMMENDATIONS**

### **A. INTRODUCTION**

The purpose of this chapter is to present the conclusions and recommendations derived from the research and to answer the primary and subsidiary research questions. Areas of further research and recommendations are also presented.

### **B. CONCLUSIONS**

The conclusions are a series of logically drawn opinions based on the research conducted into the negotiation process. The conclusion will be cited first, followed by a substantiation of that conclusion.

#### **1. Both experienced and inexperienced negotiators assumed a cooperative approach to negotiations.**

This is reflected not only in the words, but in the actions of the negotiators. In Chapter III, both experienced and inexperienced negotiators chose "cooperation" and "compromise" as the best descriptors of their overall approach to negotiations, while also stating they normally viewed negotiations as an "an information exchange process to strike a better deal." They were less inclined to use "irritators" and other controversial tactics to attain a tactical or power advantage, preferring to seek an "equitable agreement" as their principal objective.

2. Experienced negotiators are more cautious in their approach to and assessment of negotiations.

As evidenced by their assessments in Chapter III as to how effective their tactics were or how successful they were at maintaining control of the negotiation, experienced negotiators consistently expressed a more conservative or cautious outlook. In response to Lewicki's questions in Chapter IV on ethics, they showed even greater restraint in the use of questionable tactics. In Chapter V, when evaluating the effectiveness of their own arguments, experienced negotiators again offered a decidedly more conservative assessment of their success than did the inexperienced negotiators.

3. There was virtually no difference in how experienced and inexperienced negotiators viewed ethical issues.

In response to Lewicki's questions on ethics in Chapter IV, both groups of negotiators had identical breakdowns as to which tactics were acceptable, which were unacceptable, and which fell into a gray area. Additionally, the numerical differences in the responses were extremely small. In the same chapter, in the discussion of misrepresenting information, the responses of both groups were very similar.

4. There is a strong correlation between how negotiators view their own strengths and weaknesses and how they view their opponents' strengths and weaknesses.

In the discussion of strengths and weaknesses in Chapter V, both experienced and inexperienced negotiators viewed their own strengths and their own weaknesses in the same terms as they viewed their opponents' weaknesses and strengths. If a negotiator saw his level of experience as a strength, he was inclined to view an opponent's weakness in terms of his lack of experience. If a negotiator viewed his weakness as a lack of technical expertise about a product, he often considered his opponent's strength to be a strong technical expertise on the product and process.

5. The line that separates the acceptable from the unacceptable tactic in terms of ethicality is a relatively clear, discernible line.

As discussed in Chapter IV on ethics, particularly in relation to the Lewicki questions, both experienced and inexperienced negotiators were able to make a clear distinction between what they considered to be an acceptable tactic and what they considered to be an unacceptable tactic. This is evident not only in the statistical breakdown for each group of tactics, but also in the uniformity of opinion as to the ethicality of each tactic. The same consistency is evident when examining the "misrepresentation" issue, also in Chapter IV.

6. The results of this research identified two major areas that deviated from prior research: 1) the reasons for a negotiator opting to use deception in a negotiation; 2) the major influences on ethical decisions.

As discussed in Chapter II, the literature identifies the need to increase one's power as the principal motivation to lie or deceive. As discussed in Chapter IV, this



research prompted a significantly different conclusion, citing the intent to camouflage one's position or an effort to strike the best deal to one's advantage as the two most often cited motivations to deceive. This research indicates the need to increase one's power offers the least motivation to deceive. Chapter II also cites the negotiator's boss or his colleagues as the greatest influences on his decision making, whereas this research, as discussed in Chapter IV, indicates negotiators look more to their personal standards and organizational policy for that type of influence.

7. Negotiators embraced the "cooperative" strategy most often and the "competitive" strategy least often. No one particular tactic was identifiable as the most often used, but the "agenda" emerged as a useful tool in controlling the negotiation.

As discussed in Chapter III, negotiators strongly endorsed the "cooperative" strategy in negotiations. This is seen not only in the words they chose to describe their approach to negotiations, but also in their responses to various tactical and situational questions. They also chose to set an "agenda" as a measure to control the negotiation or highlight their goals. Inexperienced negotiators, in particular, embraced this course of action.

8. The views, goals, and perspectives of negotiators changed very little from the beginning of the negotiation to the end of the negotiation.

Chapters III and V provide ample evidence to support this conclusion. In Chapter III, all 20 negotiators stated they had used the tactics and strategy they

had planned on using. Some tactics changed, but not significantly. The same can be said about goals in Chapter V. Though many negotiators had changed their goals to some degree, the magnitude of the change appeared to be small. The goals appeared to be changed in the interest of compromise, with the goals apparently reasonable enough to prompt 15 of 19 negotiators to feel confident they would reach an agreement.

### **C. RECOMMENDATIONS**

The recommendations address a myriad of issues important not only to this research, but to the negotiation process in general. There is potential for improvement in both the area of methodology and in the questionnaires themselves. With improvements in these areas, the quality of the research itself should improve.

1. Education and training of negotiators should focus on strategies, tactics, and contract pricing.

It was apparent the negotiators lacked a firm background in the types of strategies and tactics one might assume to accomplish his goals. Not only did they not know the vocabulary, but they appeared unable to articulate what they, themselves, intended to do during the negotiation. A negotiator who not only uses tactics effectively, but also can recognize the tactical measures his opponent is using is well armed for the negotiation. The technical knowledge of how to price a contract is critical for a negotiator to address intelligently issues of overhead

rates: labor costs, and the variety of other pertinent issues that will arise during the negotiation process. If the negotiator cannot evaluate an opponent's numbers, he is at a severe disadvantage.

2. In preparing and conducting any negotiation, negotiators should be sensitive to the ethical issues involved with the negotiation.

Even though overtly unethical acts by negotiators may be few and far between, there are innumerable ethical issues that are a part of every negotiation. Negotiators should be aware of conflict of interest issues, influence issues, and integrity issues, just to name a few. Subtle indicators of borderline conduct should receive immediate attention.

3. The following methodology changes should be made:

a. Student negotiators should not be required to complete Questionnaire # 1 during class or in close proximity (time wise) to a practice negotiation.

For both groups of negotiators, Questionnaire # 1 should be completed under the same set of circumstances. For this research, student negotiators (inexperienced) completed Questionnaire # 1 immediately following a practice, student-on-student negotiation. This compromised the effort to have this questionnaire completed in an environment free of the pressures of an immediate negotiation. The 30 minutes allotted the students to complete the questionnaire was not enough time for the students to respond to the questionnaire properly.

They should be allowed to complete the questionnaire at their leisure, returning it within a week.

b. Delete question 13 on Questionnaire # 4.

This question asked for a general description of an opponent's attributes and traits. Not only was the question too vague, generating several questions by the negotiators as to its meaning, but the resulting responses were shallow and poorly conceived. The negotiators seemed perplexed by the question, and consequently, the question contributed little insight into the negotiation process.

c. The negotiators should be instructed prior to the negotiation not to consult with each other on the answers.

This is an attempt to elicit independent responses to the questions from the negotiators.

d. Reduce the number of questions in both Questionnaires # 1 and # 2.

Both questionnaires were more time consuming and more difficult to complete than expected. Questions that were not easily answered or were too lengthy generally were answered poorly. A "draft" questionnaire may prove of value in gauging the amount of time and effort the negotiator will have to spend completing the questionnaire.

e. Leave the sequencing and timing of the negotiation and questionnaires as they are, but make a more concerted effort to prepare the negotiators for the types of questions, the number of questions, and the length of time involved with each questionnaire.

In the introductory letter, the researcher should provide a brief description of the entire process to the negotiators. This should include relevant issues, types of questions, and the general amount of time expected to be required to complete the questionnaires. This should not only prepare the negotiators for the process ahead, but it should stifle any sense of frustration or discontent they may experience as the negotiation process wears on.

#### **D. ANSWERS TO THE RESEARCH QUESTIONS**

##### **1. *Primary Research Question***

How does the experienced negotiator's perspective on tactics and strategy, ethics, and other relevant issues differ from those of the inexperienced negotiator?

Experienced and inexperienced negotiators have similar perspectives on tactics and strategy, but experienced negotiators are more willing to change and shape their tactics and strategy to suit the situation. Both groups appeared to design their approaches with a mutually beneficial, cooperative arrangement in mind that would lead to an equitable agreement. Their perspectives on ethics were virtually identical, but with inexperienced negotiators embracing a slightly more liberal use of borderline tactics. On general issues, the views and perspectives of both experienced and inexperienced negotiators were remarkably consistent, especially in those areas concerned with strengths and weaknesses.

## **2. *Subsidiary Research Questions***

What are the negotiators' attitudes toward employing tactics or methods that could be considered unethical or unacceptable?

Both experienced and inexperienced negotiators expressed strong feeling against tactics of an unethical nature. Though inexperienced negotiators exhibited a tendency to use tactics more aggressively, both groups were in agreement as to which tactics were acceptable, which were unacceptable, and which fell into a gray area. Additionally, the negotiators had no difficulty in making a distinction between the categories.

Which tactics and strategies do the negotiators consider ethical, and which tactics and strategies do the negotiators consider unethical?

There are commonalities among the questions in each category that allow a general characterization of that category. Acceptable, or ethical, tactics were generally those most often found in the traditional competitive bargaining arena. Those tactics that were considered unacceptable, or unethical, were those that misrepresented the facts, attempted to isolate the opponent from his peers or boss, or manipulated the opponent's environment - an effort to do him harm. Any "misrepresentation" of facts was also considered unethical.

How has the negotiator's position (objectives, strengths, and weaknesses) changed from the beginning of the negotiation to the end?

Both experienced and inexperienced negotiators expressed confidence in their ability to identify both their own and their opponent's strengths and

weaknesses, but they noted little change in these as the negotiation progressed. In terms of objectives, however, change was noted in those of the experienced negotiators much more so than in those of the inexperienced negotiators. Experienced negotiators were more likely to move off their objectives if the move was in the direction of acceptable compromise.

How well did the negotiator's chosen strategy and tactics serve him during the negotiation?

Experienced negotiators expressed moderate confidence as to how well their strategy and tactics had served them during the negotiation, while inexperienced negotiators were notably more confident as to the success of their strategy and tactics. Experienced negotiators expressed, throughout the negotiation, a decidedly more cautious and conservative evaluation of their success on this and many other issues.

## **E. SUGGESTIONS FOR FURTHER RESEARCH**

The issues surrounding the "obscuring" or "misrepresenting" of facts or information was a difficult area to penetrate because of the unethical connotations both words beget. This is an important issue in negotiation that merits further research. The issue of "conflict" in a negotiation could be examined in terms of tactics and strategy in terms of contribution to the overall negotiation process. An examination of "non-verbal" signals in negotiations would be another challenging

subject for further research. Lastly, further examination of impasse situations and the scenarios that lead up to them would be an area of great interest.



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